MILLARD'S REVIEW

密勒氏評論報

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DR. Paul S. Reinsch, American Minister to Peking, left for the States last Sunday, having been summoned to Washington for conferences on Far Eastern affairs. He was accompanied by his family as far as Port Arthur, where they will remain for the summer during his absence from the Chinese capital. Traveling together with him was Willing Spencer, First Secretary of the American Legation in Peking, who exchanges posts with Mr. MacMurray, First Secretary of the American Legation in Tokio, for a period of three months. Mr. MacMurray has already arrived in Peking and assumed charge of the Legation. Over fifty Chinese and foreign officials saw the American Minister and his family off at the Chienmen station. Among those present were representatives of the President, the Prime Minister, and the different Ministers. An indication of the popularity in which Dr. and Mrs. Reinsch are held in Peking is to be found in the fact that numerous floral wreaths were placed by friends on the special car conveying them to Port Arthur. As their train pulled out of the station, the American Marine Guard, drawn up on the platform, saluted and played. Dr. Reinsch, after stopping for a short time at Port Arthur, proceeded to Yokohama, whence he will sail for America. On the eve of Dr. Reinsch's departure a number of Chinese papers in Peking, Tientsin, Hankow and Shanghai printed editorials expressing the hope that he would explain to the State Department at Washington in detail many interesting phases of the Chinese situation, particularly as regards relations with America. They particularly emphasized the need of the adoption of a new policy by the United States in the Orient and of the investment of more American capital in China, whereby both Republics and their people would benefit. It was also pointed out that this is an opportune moment to help this country when such help will be most appreciated, oppressed as it is by its eastern neighbor. The Chinese press unanimously voiced the opinion of the people that unless Uncle Sam shows his sympathy for the sufferings of China at the hands of an aggressive neighbor by adopting more positive measures than the mere expression of that sympathy, the agencies which are working hard to undermine the historical friendly feeling of the Chinese towards America and her people will be successful in their nefarious efforts. This brief visit of Dr. Reinsch to Washington, they fervently hoped, would result in the framing of a new Asiatic policy by America—based upon the real needs of China—a country full of inestimable potential resources.

A telegram from Washington during the week contained the (unofficial) information that the Japanese Government had declined the request of the Entente Powers to intervene in Siberia. In order to understand this telegram it is necessary to bear in mind what the situation is. France is very anxious that Japan should intervene and Italy is following the lead of France, while Great Britain, although not so ardent as the latter, has nevertheless concurred in the proposal that Japan should be allowed the exclusive control of any proposed expedition. It may be taken as authentic that the Government of the United States—as is pointed out by a "political observer" in the *Japan Advertiser*—in spite of the gradual change of public opinion, is still very cautious about its Russian policy. Although the Japanese foreign minister, Baron Goto, has all along been very chary about recommending intervention in Siberia, he has of late taken somewhat more kindly to the idea, and is believed to have proposed that Japan should intervene immediately, provided the Allies, including America, would jointly ask Japan to act. A telegram from Washington already more than a month ago indicated that America's position in the matter was that it did not favor intervention in Siberia by Japan until the necessity for it has been demonstrated and from all appearances the American Government has not yet changed its mind. In the meantime Japan is biding her time.

FOREIGNERS in China have been rudely awakened to the realization of the unlimited extent to which some Chinese officials can go in selling their country for a "mess of pottage." During the last five months more loans from Japan have been made than all the loans put together which were made in Yuan Shih-kai's time. Those now in power are mortgaging almost everything that they can think of. Unchecked by Parliament and regardless of public opposition, they are literally giving away the tobacco and wine monopoly, the land tax, the stamp duty, the richest iron mines in the country, the railways, the forestry, the telephone, telegraph monopoly and what not. This reckless borrowing, which undoubtedly profits loan-makers immensely, will eventually lead to one result—international control of China's finance, which may be a blessing in disguise. Japan, which is generously offering loans to China, and in some cases forcing them upon her, will be very much disappointed if she still cherishes her fondest dream that some day she will be the sole lord of China's treasure house. This is the consensus of public opinion in the Far East.

DR. Miyake of *Nippon Oyobi Nippon Jin* (Tokio) every now and then makes himself conspicuous by making caustic remarks about the Allies' honesty of purpose, sincerity and determination to win the war. In an article reproduced in the *Herald of Asia* Dr. Miyake says that still there is no unity among the Allies who are jealous of each other and that England has prolonged the war by not sending a sufficient number of men to France. After finding faults with the Allies he remarks: "The Anglo-Saxon nations are justly accused of unquenchable jealousy. . . . .All nations have a right to consider their own interests first, but the Anglo-Saxons show the most marked tendency, or the greatest cunning, in this direction." Referring to Germany's allegation that England incited France and Russia to war against the Teutonic powers, Dr. Miyake remarks, "Whether this is true or not, it is certain that England is suffering least of the three powers and perhaps benefiting most."

England, the ally of Japan, according to the remarks of Dr. Miyake, is illtreating the Japanese in all her colonies, "and how jealously England guards her growing interest in China from her ally. Englishmen surely ought to understand that Japan is forced to try and extend her sphere of interests in China only in order to maintain her national existence and that to look upon her attempts in this direction with hostile feelings might drive her to seek an alliance with other Powers *that is, Austria and Germany.*" (The italics are ours.) What Dr. Miyake means is that England must not raise a finger in defence of poor China and abet Japan in swallowing the Republic, and if she does stand in the way of the territorial expansion of Japan, she will seek an alliance with Germany now and here. It may be remembered that Japan annexed Korea under the same plea of preserving her (Japan's) national existence which is now offered for bullying and dominating North China and Manchuria and the same will perhaps be made again for penetrating into Siam and Burma when China has—God forbid!—passed into the hands of Japan.

We cannot accuse Dr. Miyake of ignorance of England's sacrifices in the Great War, yet it is difficult to fathom his intentions in trying to create bad blood between England and Japan.

His remarks about America are still more caustic and we wonder how he can entertain such notions when President Wilson has proclaimed to the world America's most unselfish and most honorable aims in joining in the great war against Germany.

"As for America, there are occasions when it seems as if she were treating Japan as an enemy. Certain press despatches would seem to indicate that America was ready to fight any nation that should dare interfere with her ambitious Siberian plans. . . . The knowledge that America, with all her financial power, is seeking to promote her own interests and to

dominate Europe after the war, whilst outwardly doing her best to help vanquish the common enemy, cannot but tempt the other Powers of the same camp to use their strength sparingly on the field of battle."

The logic of Dr. Miyake is too fallacious to require any comment and it only serves to show the strange psychology of the Japanese writer.

Perhaps it will be interesting to remark in this connection that last year Dr. Miyake added an appreciative note to a book, entitled "The Isolation of Japan in World Politics," written by a man who has been since proved in the San Francisco court to be a German agent, proposing Japan's alliance with Germany and retention of the South Sea Islands at any cost. The value of Dr. Miyake's pro-German proposal is evident from the fact that the said book was interdicted by the government of Japan soon after its publication by the Pan-Asiatic Society of Tokio.

Dr. Miyake must clearly understand that not only England but the whole world would condemn and resist Japan's illegitimate domination of China and that we are fighting Germany and Austria because we know beyond the shadow of a doubt that our cause is just and his cry for "an alliance with other Powers" will he lost on the ears of the Japanese who share our conviction.

DURING the Chinese New Year holidays this year, President Wilson delivered an address dealing with the war. Since this address dealt with several important phases of the war, the President was anxious that his address should have as wide a distribution as possible. It was with much difficulty and expense transmitted direct by telegraph and cable to the Far East and duly appeared in the most important newspapers printed in the English language in China. Owing to the fact that the Chinese newspapers did not print for several days during the Chinese New Year Holidays, and also owing to the fact that there was no one with a special interest in seeing that the Chinese newspapers received translated copies when they did resume publication, the address was not printed. Hence only those Chinese with a reading knowledge of the English language and an interest in outside affairs had access to President Wilson's message. It is a well-recognized principle of publicity that in order to influence a man, his attention must first be attracted and then when his attention is concentrated the message must be in a language that he understands. This is true in the sale of automobiles or soap, or in the realm of international politics. Recently the REVIEW contained an article, written by a prominent Chinese of Peking, to the effect that China should organize a publicity bureau to tell the world about China; that China is misunderstood because practically all publicity spread abroad regarding China is done by others and in many cases the persons who attend to the spreading of information regarding this country have special motives that tend to color the news and cause peoples in other parts of the world to form incorrect ideas regarding the country. The writer had in mind the extensive Japanese propaganda in America and elsewhere that is conducted with the one idea in mind of exalting Japan and minimizing the position of China in all particulars.

IT is of interest to note that the need of greater international publicity is also felt in the United States. At a recent conference in New York it was decided to form a permanent organization to take up the work of teaching Americans of foreign countries and foreign countries of America. The new body is to be made up, according to the plans formulated, of former Presidents of the United States and former Ambassadors who have represented the country abroad and prominent Americans who are interested in international affairs. The representatives are to be chosen from the great political parties in proportion to the vote cast at the preceding national election. In connection with the formation of this non-partisan board of foreign affairs, the comments of David Lawrence, the well-known Washington correspondent of the *New York Evening Post*, are of interest: "The question of making other countries understand us almost always resolves itself into the personal equation of the men who handle the news as well as the personal equation of the editors of the newspapers which editorialize on the news." To show the wide interest in this matter of international publicity there has also been formed in America an organization composed of the American correspondents of foreign newspapers and periodicals, which is to be known as the Association of Foreign Press

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OF THE FAR EAST

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Correspondents in the United States. The countries represented in the association include France, Great Britain, Canada, Italy, Norway, Denmark, Sweden, Australia, Japan, Brazil, the Argentine, Chili and Peru. Special privileges have been granted by the Government to these correspondents in recognition of the important function they discharge when interpreting to the rest of the world the present activities of America and its aims for the future. The Government has placed at their disposal complete facilities for examining into the war work of the United States.

First Experiment in American-Chinese-Japanese Cooperation

THE official announcement of the Ministry of Communications at Peking this week of the organization of the China Electric Company, Limited, a combination of American, Japanese and Chinese capital, is of more than usual interest in that it will be the first experiment in the China field of a business idea that has had the attention of leading American and Japanese and also Chinese business men for several years. The new company is capitalized for $1,000,000 U. S. Currency, of which the Ministry of Communications will supply one half and the remainder will be equally supplied by the Western Electric Company of America and the Nippon Electric Company of Japan. The Nippon Electric Company, the Japanese company referred to in connection with this combination, is the cooperative American-Japanese electrical enterprise in Japan that has been so successful for several years. The stock control in the Nippon Electric Company rests with the Western Electric Company of America, but the management of the manufacturing and selling interests in Japan is cooperative.

An official announcement of the new enterprise was made by F. F. Fairman, Shanghai manager of the Western Electric Company, in a notice sent to the press on Wednesday as follows:

It has been officially announced by the Ministry of Communications that a company has been formed by the Ministry and the Western Electric Company, Incorporated, and the Nippon Electric Company, Limited, to be known as the China Electric Company, Limited, for the establishment of a manufacturing plant in China to produce telegraph apparatus and other electrical materials.

The company is capitalised at one million dollars, one-half for the Ministry and the remainder equally for the electric companies. The directors who have been elected for the first year are:

H. E. Yeh Kung-cho, Vice-Minister of Communications, President and Chairman of the Board; Chow Kia-ni, Director-General of Telegraphs; Ho Yuan-man, Chief of General Department of Telegraphs; Riuji Nakayama, Clark H. Minor.

Mr. Minor is to be General Manager of the company, K. T. Long, recently Assistant Superintendent of the Tientsin Telephone Administration, will be Assistant Manager, and G. R. Howatt, Secretary-Treasurer. The Assistant Treasurer, who will be Chinese, will be named at the next meeting of the board of directors.

This company has been formed for the express purpose of manufacturing and supplying the telephone, telegraph, and general electrical material required by the Chinese Telegraph Administration, as well as other Chinese companies. The head office will be at Peking, and a branch office will be maintained at Shanghai. Under the terms of the contract between the Ministry and the electric companies, the China Electric Company, Limited, will become sole agents in China for the Western Electric Company, Inc., and the Nippon Electric Company, Ltd., and will have the privilege of all of the patents, inventions, advice and experience of both of these very successful electrical manufacturing companies. The China Electric Company, Limited, will sell all kinds of electrical material and apparatus, and is now ready to transact business.

The establishment of such a company has been contemplated for several years, but heretofore the electrical companies did not feel inclined to start manufacturing in China. Recently, however, the present officials of the Ministry of Communications have been successful in inducing the electric companies to cooperate with them in this project, and the Ministry is much gratified with the successful establishment of the company.

The Western Electric Company, Inc., is the telephone manufacturing company which supplies the material used by the American Telephone and Telegraph Company, and has established factories in the other large countries of the world in conjunction with the capitalists of those countries, where it has worked successfully through the following foreign allied houses:

Northern Electric Company, Ltd., Montreal; Western Electric Company, Ltd., London; Le Material Telephonique, Paris; Bell Telephone Manufacturing Co., Antwerp; Western Electric Italiana, Milan; N. C. Heisler & Co., Petrograd; Nippon Electric Co., Ltd., Tokio.

Mr. Minor, who has recently come to Peking, has for several years past been the Manager of Le Material Telephonique at Paris and the Bell Telephone Manufaturing Company at Antwerp, and has had much experience in the manufacture and sale of telephone and telegraph equipment to the Scandinavian, Danish, Dutch, Belgian, French, Italian, Swiss, Spanish, South American and Australian operating companies.

The very harmonious and saticfactory results from the cooperation of the Western Electric Company, Inc., in Japan with the Nippon Electric Company, Ltd., during the last twenty years has been gratifying to the officials of both countries and the parties concerned, and the Ministry of Communications is very sanguine for the future development of the China Electric Company, Limited.

ABOUT one year ago the writer, in conversation with Dr. Wu Ting-fang, China's veteran statesman, who has now cast his lot with the Southern faction, asked his opinion of the idea of American-Japanese financial cooperation in China. Here was his characteristic answer:

"Make it American-Chinese-Japanese cooperation and it will be a fine thing for China, for when the matter of policies are to be determined, the Chinese and Americans can pool their forces and decide the policies that will be of benefit to both countries."

This seems to have been done, according to the announcement, and in the opinion of the REVIEW the only interests who can or will object to this arrangement are the Germans. There may, of course, be objections on the part of certain political elements in China who are not in a position to share in the benefits and there may be objections on the part of other and rival business interests, but from the standpoint of China there can be no objection, for this will constitute an important move toward electrical development in China. It is needless to state that electricity must play an important part in the industrial development of this country in the uplift of the millions of people who through necessity are so closely bound to the soil that they are veritably eating themselves up. It is only necessary to point to Japan to understand the possibilities of manufacturing development through electricity that can and will be brought about in China. Other companies have no occasion for objections for after a start has been made there will be room in China for all. The most important phase of the matter is that the new arrangement will most effectively close an important field in China for Germany, for it is known that that country has made its greatest plans for the future with China in mind.

WITH this important start, we may look forward to other important developments in cooperative enterprise in China, and there are already many indications in this direction. David Lubin, the American founder of the International Institute of Agriculture at Rome, in a statement given wide publicity by Reuter's last week, urged the Allies to form a financial group that would exist after the war for purposes of inter-financing and world-wide development. A British subject in Shanghai who is in close touch with events and tendencies stated recently that one certain result of the Imperial Conference now sitting in London will be the formation of a banking system for Great Britain that will closely resemble the American Federal Reserve Banking system. With this system in operation and working in close cooperation with the American banking system and with France there will be offered possibilities for industrial development in China and elsewhere and the upbuilding of Europe after the war that will do much to hasten the days of the new prosperity that is to come when the war is over and development again starts on a new and better basis. From the standpoint of China, nothing could be of greater benefit in the future development of the country than this higher form of cooperation. It is largely for China's leaders to say whether China herself is to benefit. It is nothing short of a crime that these precious years are being wasted in suicidal internecine strife. The writer knows of at least a half dozen important business enterprises that would have meant much to China that have been frightened away because of the internal turmoil and anarchy. Instead of these enterprises of development, most of China's native resources have been bartered away in order that pay might be realized for a few thousand mercenary soldiers whose only interest in fighting is the pay and pillage that results.

THE field for cooperative financial enterprise in manufacturing in China is practically boundless and a list of the possibilities would be largely a list of enterprises that have been successful in other parts of the world. In railroad building, both steam and electrical, China, as has been mentioned previously in these columns, is unique, in that the people and the merchandise are here already and the road under mediocre management is likely to be profitable from the day it begins operation. After the war, in minerals China with Siberia will offer practically the last undeveloped fields in the world. In America, for instance, it is not difficult to see the end of the copper supply, the coal supply and many other vital lines. In dozens of manufacturing lines, the opportunity awaits the genius who can and will work with the Chinese on a proper basis of understanding. When this basis of understanding and mutuality of interest is arrived at and the ordinary rules of business are observed, the problems of manufacturing in China are no greater than elsewhere.

J.B.P.

China Builds Modern Hospital at Peking

BY HOLLINGTON K. TONG.

BY the opening of the Central Hospital at Peking last January, Peking is provided with hospital facilities which many a city even in Western countries will envy. It is entirely managed by Chinese, and its history is interesting and instructive as showing what an energetic and influential Chinese citizen may accomplish by exerting himself in this land of *laissez faire*. The hospital would not have been built for a hundred years to come had it not been for the persistent efforts of the present Director-General

of the Lung-tiang-u-hai Railway, Sze Sao-tseng, who overcame many obstacles and finally made its establishment possible. It was in the last days of the Tsing Dynasty when Prince Tsai Hsung, uncle to the ex-Emperor Hsuan Tung, proposed to build a model hospital in the Capital. A number of high officials supported his proposal, and accordingly circulars were sent to the provinces soliciting contributions. Some money was received, but before Prince Tsai Hsung was able to carry out his proposal, the first revolution had begun, ending in the overthrow of the Manchu Government. In 1915, shortly before President Yuan Shih-kai's monarchical movement, the proposal of having a model hospital was revived, and a meeting was called for its consideration. It was decided to raise $300,000 for the building fund, of which sum the Ministry of Finance promised to give $100,000. Those who were present at the meeting undertook to raise another $100,000, whilst the third $100,000 was to be secured in the Straits Settlements. Shortly afterwards came, however, the monarchical movement of the late President Yuan Shih-kai, following which was the order of moratorium suspending specie payment on bank notes. In consequence the Ministry of Finance paid its contribution to the hospital fund in notes, which were less than $80,000 in silver. These high officials who promised to raise $100,000 individually, were scattered around from Shanghai to Japan as a result of the failure of the imperalistic movement. They could not be expected to fulfil their promise. Only a little over two thousand Hongkong dollars was raised abroad, but they were in unconvertible notes. The whole situation looked as if the proposal for the establishment of a model hospital in the Capital was going to be abandoned for the second time. In fact, some interested parties did suggest to the Treasurer of the Committee the giving up of the project. But Mr. Sze thought otherwise. He told a friend of his that if the hospital was not then erected it would never be. He had to assure disheartened supporters that he would do his best to push the project through. He therefore tackled the problem almost unaided. The $100,000 which the officials had promised to raise were made good by his own friends. When the proposal was first made, Mr. Sze pledged to contribute $10,000, but as later there was found not to be enough funds for the purpose, he himself advanced over $40,000. More than $250,000 were subsequently expended on the building of the hospital and its equipments.

The building was completed in January, after a delay of six months on account of the detention of materials abroad due to the European War. As soon as it was ready for occupation it was thrown open to the public. Since the end of January the hospital has been treating, on the average, one thousand patients a month. A very small fee is charged for each treatment. Men and women are flocking thither. On account of the financial difficulty the hospital has not yet been able to open the charity ward, in which ten beds have been prepared. At present $4,000 a month are required to maintain it, but there is no income to speak of. Mr. Sze is practically making all the advances. The people are generous in their expression of appreciation of good deeds, but they are usually slow in contributing funds to a noble cause.

The Central Hospital has three resident doctors, namely, Dr. Lim from Hongkong, graduate of the Hongkong University, who has practised medicine for some time in the Straits Settlements, and who is now looking after the laboratory work; Dr. S. C. Chow, graduate of a university in Japan, who is in charge of the surgical part of the hospital work; and Dr. Z. Z. Wang, also graduate of a Japanese university, who is looking after the medical part. They are all paid resident-physicians, but the hospital has seven visiting-physicians, Dr. Philip Sze, Dr. J. G. Cormack, Dr. L. N. di Giura, Dr. J. Spourgitis, Dr. C. Fang, C. C. Yen and Dr. Kurata. Drs. Sze and Cormack are in charge of the gynecological and obstetrical departments; Drs. di Giura and Spourgitis is charge of the surgical department; Drs. Fang and Yen in charge of the medical department; and Dr. Kurata in charge of the skin department. At the time of the opening of the hospital, circulars were sent inviting both foreign and Chinese doctors to render three months' free services to the hospital before any other arrangement would be made. In response to the invitation, several volunteered their services. The arrangement then made with these physicians was that in accordance with the American system, they could send their own private patients to the hospital to be operated upon by themselves. In return for this, the visiting doctors would help the hospital gratis. Some accepted the arrangement and have been since visiting the hospital three times a week regularly. At the end of the three-months' period in May, a meeting was called of these doctors, and the arrangement was re-considered. The chairman of the hospital, Tsao Ju-ling, was consulted, and he decided that each visiting physician should be paid a hundred dollars a month to meet extra expenses incurred by such service as he many render to the hospital.

It goes without saying that the spirit of the hospital is Mr. Sze, its superintendent. He is concurrently acting as treasurer to its Board of Directors. Dr. Wu Lien-tai, who is now on sick

leave, is medical director. Dr. Philip Sze, a graduate of George Washington University, well known to American returned students, is assisting medical director, and at the same time acting for his father, Mr. Sze, as well as for the medical director. He is working in the hospital for nothing whilst his father is advancing money out of his own pocket to run the institution. Dr. Sze, after his graduation in America, received practical training in American hospitals, returned to China in June, 1916, joined the Tsing Hua College as college physician, and stayed there until March this year, when he joined the Central Hospital as a non-paid doctor. Much of the present excellent work of the hospital is due to his energy. Seven French sisters serve as nurses at a nominal remuneration of $25 a month, they are assisted by five Chinese women nurses and six men nurses, graduates of the medical schools in Peking and vicinity.

The location of the hospital is ideal. Situated west of the Hsishih Pailou, it is just next to the Temple of the Imperial Ancestors. The site on which the building is standing was formerly a bazaar. It is well isolated as there are no tall buildings around. From the roof-garden visitors can command a good and distant view, and see the summits of the Western Hills under good weather conditions.

Peking, June 29, 1918.

The Japanese and the Great War

H. P. SHASTRI.

SINCE the outbreak of the Great War the superficial character of the nation of Japan has undergone a marvelous change—unprecedented and unanticipated. Money has flown into the country in wide channels from far and near and with it all the evils that attend material prosperity. All the big cities and centers of political, commercial and intellectual activities have been affected by the flow of wealth. Countless *narikins*, or mushroom-millionaires, have sprung up here and there, causing considerable inconvenience to the poor. All the sanatoriums, health resorts, fine sea-shores, hot springs, etc., are full of *narikins*. Before the war few of the Japanese used to travel first and second class by railway trains, but now the upper classes are more over-crowded than third class. Few of the Japanese are fond of hoarding money. Most of them spend money as easily as they earn it. If the simple *Kurmaya San*—ricsha man—happens to earn fifty cents more than his estimated daily income, he spends that amount in an old-fashioned restaurant on *sake* (wine), which is served to him by a young, dainty *musume*.

Hundreds of new restaurants have been added to Tokio within the last four years. Every evening these restaurants are crowded, and sometimes over-crowded, with young students, clerks, officials, business men, etc., who keep up drinking and singing till a late hour. There are not less than 15,000 *geishas* or singing girls in Tokio though, according to the estimation of some, the number exceeds 25,000. Nowadays it is impossible to find a single *geisha* girl unoccupied after 8 o'clock in the evening. If the average daily income of a *geisha* girl be estimated at Yen 4.0, though some of a them earn more than Yen 50.0 a night, then about Yen 50,000 is spent daily in Tokio on wine and girls. I think not even Yen 1,000 goes to charity or any other benevolent cause in the Metropolis.

Any thoughtful man who visits the Tokio restaurants in the evening can safely conclude that the university student of Japan is a better patron of *sake* and *geisha* than of Shakespeare, Goethe, Mill or Darwin. It is not unusual for professors to share the joys of drink and the music and smiles of the charming *geisha* with their students.

In other countries when scholars and students meet together either in a park or in a grill room, they discuss politics, ethics, metaphysics, etc., but during my stay in Japan I never found university or high-school students talking on serious subjects. Their topics of conversation are either the merits and demerits of a restaurant or the *geisha*.

It is my most painful duty to point out that the high patriotism characterising the Meiji era is declining and its place is being taken up by political fanaticism. The unselfish zeal to do good to one's own country without doing any harm to any other country was the charcteristic of the Meiji era. Not to tolerate true criticism on Japan, to keep a vulture-like eye on the legitimate possessions of other nations, to regard diplomacy as true diplomacy, never to be frank in conversation or dealings with foreigners, and to look upon everything of Japan as the best in the world, constitute the chief tendency of the modern patriot of Japan.

With the growth of luxury the martial spirit or *yamato damashii* is also declining. The educational authorities know well that young men do not go to the camp of exercise or military service as cheerfully as the sons of Dai Nippon of the Meiji era used to do. Last year in a certain school more than thirty per cent of the students avoided military service on the false pretence of sickness. Indeed it is very hard to undergo the rigid military discipline, leaving the arms of a *geisha* or the tiny cup of hot *sake*.

In social etiquette too Japan is in transition. The old *samurai* was noted for his courtesy, nobleness, benevolence and humility. His devotion to his master was wonderful. Now

these are the days of hypocrisy. A famous Japanese journalist wrote last year in one of the Tokio papers something like the following:

"In social matters we cannot be relied upon. We say black when we mean white and when we ask a guest to stay for dinner we usually mean that he should go away."

The recent scandals at Kyushu, Kioto and Yokohama, resulting in the conviction of men holding responsible positions, must bring Japan to a consciousness of the real state of affairs in that country.

One of the chief causes of the decay of Persia was the poetry of Habiz, whose Muse sang so beautifully of roses, wine and the moon-faced *mashooq* that the nation forgot all higher things and "sold the soul to *saqee* (the young girl distributing wine) for a cup of ruby wine." According to Gibbon the growth of luxury, consequent on unbounded material prosperity, was the chief cause of the decline and fall of the Roman Empire. To what consequences will this tendency of the young Japan lead does not require the wisdom of a Solomon to foresee.

The girlhood of Japan deserves high credit from every critic. The *musume* has not shared the materialistic tendency and in spite of all the temptations she yet stands unsullied and untainted, far above the clouds of luxury. Leaving aside the *geisha* and other professional girls, the *musume* still represents a high standard of morality and one can safely count upon her friendship in time of need. Though apparently simple, doll-like and sometimes servile, yet the *musume* is the milk of human kindness and a sincere friend who will stand by you in prosperity as well as in adversity. I will never forget the true sisterly care and affection during health and sickness bestowed on me by my Tokio sisters. The *musume*, being certainly more intelligent than the men and having a sober head, foresees the consequences of the life of luxury and refrains from it. She is reliable, truthful, sincere, intelligent and affectionate and the only hope of the regeneration of Japan lies in a *Takeko San* or a *Yachio San*—but how regrettable it is that the Japanese has not yet learned to respect the *musume* properly and to appreciate her virtue.

Saito Man, a well-known Japanese writer, asks: "Does Bushido still exist in Japan?" Yes, it exists in Japan but you cannot find it in the fiery patriot, the *narikin*, and the factory owner. The well-dressed gentleman riding in a ricsha, semi-drunk and with a book of Guy Maupassant in his pocket, may not have Bushido in his heart; but the sweating ricsha man is most likely to be a true disciple of Shakyamuni Buddha and well-versed in the life story of Saigo Takamori or Kobo Daishii. To quote from an article on Bushido by the same popular journalist:

"Just as in China they are never weary of talking of the eight virtues so grandly inculcated by Confucius, we in Japan will never cease bragging of Bushido—the honorable ways of the *samurai*, the chivalry of Japanese knighthood. Its practice—Ah, that's another thing. The Kaiser is not only a believer but a patron of Christianity. There are many believers in and patrons of Bushido. To cite a few notable examples. A Rear-Admiral So-and-So had talked a great deal of Bushido in his time. Convicted of a criminal charge, divested of rank and office, he was put in jail. But when released last year he did not hide his shame but became a director of a large company. . . . . now he is prospering in business. Two other men whom the public once thought as business men of Bushido principles have seen or nearly seen the shadow of prison walls for the crimes which no upright *samurai* would have committed, and now go about in broad daylight, unashamed and fearless. There are well-known politicians with high official positions, whose principles of conduct in the past have always been expediency and opportunism, who can never address an audience without declaring Nippon a country of unsurpassed Bushido which has no need of moral aid either from the West or Heaven or anywhere. 'Other men are just as bad,' is the eternal motto of the rogue who clings to his roguery. Those who talk Bushido and do not act it have the same excuse. . . . . We strike an attitude of virtous indignation and speak loudly of all the virtues there are in the dictionary, for choice, loyalty, patriotism and Bushido. But that is only a form, a fashion, just as conventional as '*Ohayo*,' '*Sayonara*' or 'how d'ye do?'"

The young Japan is very conceited and there are a number of well meaning foreigners who are painting Japan in the brightest colors, even the real vices are labelled by them as virtues. They are never weary of calling the Japanese "A nation of the future," "Children of God who will inherit the earth." It is therefore highly doubtful whether the real danger, which is internal rather than external, threatening Japan has made itself known to the people. It is not the alleged isolation of Japan in world politics after the war that forms a grave danger but it is this internal wave of materialism and luxury that is possessing the young Japan which is the real danger ahead.

I have spoken to hundreds of well educated foreigners who have lived long in Japan and not even one of them has said much in favor of Japan. All of them can neither be accused of jealousy, nor can they be called men with a perverted faculty of observation. The fact is that there is something materially wrong with Japan and unless it is righted no amount of self-praise or self-advertising can mend matters.

Though the Japanese trade is extensive in the Far East at present the people must not think that their goods will find a ready market after the war because of its bad quality and the want of morality in Japanese business men. I know that in India any rotten and useless thing is called "Japanese goods" and the phrase has become a common expression. Though one can buy a Japanese umbrella for ten or twelve annas in India, it does not last as many days as the number of annas spent on it. More or less the same condition prevails in China too. Some Chinese merchants take it as an insult if you ask them whether they have Japanese goods in stock.

The present prosperity has not bettered the condition of the poor in Japan. A visit to Honjo or Fukugawa in Tokio reveals such a ghastly and miserable spectacle of want and starvation that if once seen it cannot be forgotten. The poor factory girl does not earn more than twenty-five sen a day after a long and taxing labor of ten hours or so. In most cases the conduct of the overseer renders her unable to return home and she passes her life in tears and tribulation, sometimes as a bird of passage and sometimes as a maid in some disreputable restaurant. She falls a victim to consumption or to the rapacity of some immoral and greedy employer. The story of her sufferings can form a voluminous book. There is none in Japan to speak one word for the poor and innocent *musume* who is deprived of every chance of happiness in her life.

Labor unions and social movements are being founded in spite of the rigorous watch and oppression of the Japanese police who think it their sole concern to defend the capitalist against the laborer. I was told that about 2,500 anarchists who have been rendered homeless by the police are carrying on a vigorous propaganda on behalf of the laborer.

The poor have boundless faith in the mercy of the Heaven-born Emperor and think that their grievances will be redressed in no time when His Imperial Majesty comes to know of their sad lot. The traditional good will and fatherly kindness of the Emperor is writ on the heart of the poor.

Every opinion on Japan is labelled as "pro-Japanese" or "anti-Japanese," according to the nature of its contents. This shows that the Japanese have little or no idea of honest criticism which is neither *pro* nor *anti* but just and fearless.

Let me conclude with the following verse of Japanese poetry:

Of *men* there are enough.
A *man* there is not.
Make men *to be* men:
And a *man* you will be.
Act *like* a man:
And a man you will *become*.

China's Salt Tax

BY A. W. FERRIN

U. S. Special Commercial Agent

PRIOR to the revolution which established the Republic, the management of the salt tax was a subject on which little information could be secured. At that time China was divided for purposes of administration into eleven salt areas, seven of which produce sea salt, two lake salt, and two well salt; and these areas were subdivided into a large number of districts, in an attempt to equalize to some degree the natural conditions in various places. Since the government not only taxed the salt but acted as middleman between producer and retailer, frequently as transportation agent as well as wholesaler, and in some Provinces managed the whole salt business as a government monopoly, it was necessary to make such a schedule of taxes as the traffic would bear. A high tax on salt near the sea, and a consequent high price to the consumer, would, of course, set everybody to evaporating his own salt, and the prevention of illicit manufacture would cost more than the revenues collected. In places where no salt was produced a high tax could hardly be evaded, but too high a tax would stop the consumption of salt and hence cut down the government's revenues.

Such considerations as these, with others, greatly complicated the management of the salt gabelle. The salt was practically in bond from the vats to the depot, where it was sold at a price fixed by the government to privileged persons, and was taxed at every stage of manufacture, transportation, and sale. In Provinces where the government itself did not maintain a monopoly the salt dealers did, and they paid heavily for licenses. With the various legitimate government charges on salt, it was found in some places that this article was paying no less than forty-three different taxes in addition to increments put on by local and provincial officials, although each tax was of course infinitesimal. What the average tax for the Empire was is as hard to determine as the aggregate return.

In the four Yangtze River Provinces, south Anwhei, Kiangsi, Hunan, and the half of Hupeh that consumed sea salt, the average tax was above $2 a picul (113⅓ pounds). But in districts near the salt works no tax or at best a merely nominal tax was imposed, and in many places the aggregate of the duties collected was less than $1 a picul.

Prior to the year 1913 the salt gabelle was so loosely administered that it never yielded anything like a full return. Information as to the amount of revenue which reached the central government from this source is vague. One estimate is that it amounted to about $20,000,-

000 Mexican a year. A new era in Chinese finance is marked by the negotiation of the Reorganization Loan of 1913.

When the new Chinese Republic in 1913 approached the international bankers for a loan of 25,000,000 pounds sterling for the reorganization of the country's finances, the salt revenue was offered as security, subject to some underlying liens, which included a contingent liability under the terms of the Boxer indemnity. The international bankers demanded as a preliminary to the loan the complete reform of the salt gabelle under foreign direction, and practical foreign control of its future collection. To this demand the Chinese Government acceded, and in December, 1913, provisional order No. 43 was promulgated, creating a central salt administration under the Ministry of Finance, with two chief inspectors, one Chinese and one foreign. The foreign inspector chosen was Sir Richard Dane, and he has virtually controlled the collection of the salt tax since that date. The Chinese still control entirely the production and sale of salt, in regard to which Sir Richard acts merely as advisor. Much progress has been made, however, in the direction of the abolition of monopolies in salt dealing and the introduction of free trade, notably in Kwantung and Szechwan Provinces.

It was found impracticable to adopt a flat tax rate, and the old system of rates was adhered to, with some modifications. The intervention of Europeans and of Occidental methods led to the striking result that the proceeds of the tax were approximately tripled without much increase in the cost of salt to the consumer.

The proceeds of the salt gabelle for the first year of the new administration were $60,000,000 Mexican. This money was deposited as it arrived in Peking in equal amounts in each of the five banks of the reorganization loan syndicate. The German bank has, of course, been eliminated since the entrance of China into the war. Interest was paid by these banks on the various foreign obligations secured on the gabelle on order of the chief inspectors. On balances they allow 2 per cent interest.

It was provided in the agreement that the salt account could be drawn upon only under the joint signature of the chief inspectors, "whose duty it will be to protect the priority of the several obligations secured upon the salt revenue." These obligations are: (1) The Anglo-German loan of 1898 (secured primarily on the Maritime Customs, and interest is now paid entirely from customs revenues); (2) the Boxer indemnity of 1901; (3) Hupeh provincial bonds of 1909; (4) Chihli provincial bonds of 1910; (5) the so-called Crisp loan of 1912; (6) the reorganization loan of 1913; (7) the Hukuang Railway loan.

The charges on these obligations vary, owing to the fact that some of them are jointly secured on the Maritime Customs. In 1914 payments on these obligations from the salt gabelle amounted to $21,106,572 Mexican; in 1915 to $34,599,082, and in 1916 to $24,911,905.

It was further provided in the reorganization loan agreement that any surplus over the amount required to take care of the obligations charged on the salt revenues should be released by the chief inspectors for the general use of the Chinese Government. It was not expected at that time that there would be any large surplus; but many causes, some of them arising out of the war, have combined to create a very considerable one, which is at present the chief financial support of the Chinese Government.

Probably the most important of these causes is the abnormal rise in the gold value of silver. While the Boxer indemnity agreement provided that any deficit due to inadequate receipts from the Maritime Customs should be made good from the salt revenue, the reorganization loan agreement provided that any excess of Maritime Customs receipts over requirements should go to pay charges secured on the salt gabelle, thus increasing by that much the surplus of salt revenue. And the latter provision is the one that has come into effect. The customs service collects duties in silver, while interest on China's foreign debts is paid in gold; so that the change in the relative value of the two has been very much to the advantage of the Chinese treasury, which receives in appreciated metal and pays in depreciated.

The accumulation of a reserve, to be left always in the banks against possible future loss of revenue by disturbances in the Provinces and otherwise, was begun by Sir Richard Dane in 1914, and by agreement between salt inspectors and the Government has now been fixed at $10,000,000 Mexican. Besides taking care of all the obligations secured on the gabelle and accumulating this surplus the salt administration has turned surpluses over to the Chinese Government as follows: 1914, $31,304,818 Mexican; 1915, $27,523,069; 1916, $52,226,185.

The total revenues from the salt gabelle in 1916 were $72,440,559 Mexican. The collection in the first ten months of 1917 slightly exceeded the returns for the same period in 1916, and November and December will be big months because of the practise of the Chinese people of salting down great quantities of meats and vegetables during these months.

At the present time, therefore, the salt surplus is the biggest free asset of the Chinese Government, and if it should continue to grow, or even stay where it is, and be properly used, it would go very far toward solving China's financial problems—*Commerce Reports.*

All Nationals Join Americans in "Fourth" Celebration

OWING to the fact that America is now expending her complete forces in the war, the Celebration of the Fourth of July in Shanghai, as well as in the other cities of China, this year had more of an international character than previous celebrations in the Far East. The celebration really began on Sunday, June 30, when Dr. Frank Rawlinson delivered a patriotic address on the "Patriots of Tomorrow" at the American Song Service in the Palace Hotel. Several precedents were broken in the celebration in Shanghai this year, the most notable being the abandonment of the official reception which has always been held, with very few exceptions, at the American Consulate. In place of this the entire American community, as well as other Allied nationals joined, in a Garden Party which was held (appropriately may we say) in the Verdun Gardens, the former German Country Club property in the French Settlement.

Celebration Started at American Club

The celebration began at 11 o'clock in the morning with a general reception at the American Club, where luncheon was served until 2 o'clock. The rooms of the club were crowded to overflowing when Dr. W. T. Findley, president, officially opened the function by introducing Mr. Siffert, the dean of the Consular Body in Shanghai, as an "optimist." Mr. Siffert admitted that he was an optimist, that he had been such since the beginning of the war, despite the throes through which his country had passed, but that he had more reason now to be optimistic since America had entered the war with all her might.

Sir Everard Fraser, K.C.M.G., British Consul-General, and M. Wilden, Consul-General for France, also made brief speeches in keeping with the spirit of the day. Sir Everard said that he had all along realized that America must come in eventually, and now that she was in the fight and the pressure of her troops was being felt on the western front, he believed the cementing of Anglo-American ties would be everlasting. M. Wilden, in his usual happy manner, spoke of the bond that unites the two great republics now more closely than ever. He mentioned having just received a telegram from his Minister at Peking in reference to the safety of Paris from possibility of siege, the Minister having advice from home that Paris was never in danger and never could be now.

After the cheers and applause following the speeches, J. J. Keegan led the crowd in singing "America," after which there was a general chorus of patriotic songs. Then Thomas F. Cobbs, of the British-American Tobacco Company, started a Fund for the American Red Cross by stating that while it was a day for rejoicing, it was also a day for remembering the boys in the trenches. A flood of contributions followed that kept up until more than Mex. $3,000 had been turned in.

Shanghai Club also Joined In.

While the reception at the American Club was in progress a similar patriotic gathering was also held at the Shanghai Club. H. G. Sims, president of the Shanghai Club, briefly proposed the toast of the President of the United States which was enthusiastically honored, after which a verse each of "God Save the King" and "America" were sung and a third verse written by Mr. Curry, who led the singing, which was as follows:

Two Empires, by the sea;
Two peoples, great and free,
One anthem raise.
One race of ancient fame,
One tongue, one faith, we claim;
One God, whose glorious name,
We love and praise.

M. F. Perkins, American Consul-in-Charge, in a happy speech reminded his hearers that America was known for making a noise on July 4, but now it was a different noise. It was the noise of tramping, enlisted men, the noise of hammering and riveting on the ships they were building, the noise of munition factories, and the noise of freight trains carrying the supplies to the ports on the Atlantic Coast for transport to France.

Major C. P. Holcomb, U. S. District Attorney, said that though they always looked forward to July 4 as a time of rejoicing, this year he regarded it with a somewhat different feeling when he thought of the men at the front. He welcomed America's entry into the war as cementing the friendship of Great Britain and America, and he expressed the hope that long after this generation had passed that friendship would still endure.

The toasts of the King and the President were again honored and the proceedings came to a close.

The Baseball Game

In the afternoon, before the largest crowd ever assembled in Shanghai at a baseball game, a team from the section of the U. S. Navy stationed in Shanghai played a nine-inning game with the Shanghai American team that resulted in a score of 6 to 1 in favor of the Navy. Johnnie Scott pitched for the Navy, it being his fifth Independence Day game. M. F. Perkins, American Consul-in-Charge, pitched the first ball and at the close of the game presented the Challenge Cup to Capt. Mal Maloney of the Navy team. In the evening the Sailors celebrated the event at a dinner which was attended by more than seventy persons including the members of the Shanghai Baseball Club headed by President Bunn. Those composing the teams were as follows: Navy—Maloney, Tangermann, Scott, Peterson, Pruitt, Becker, Mitchell, Amundsen, Held and McGowan. Shanghai—Wilhoit, Holliday, Crow, Tinkham, Bradley, Riddick, Eddy, Heming and Gardner. The umpires were Chapman and Logan.

Verdun Garden Party

Owing to the usual custom of the Shanghai Weather Man in sending his most copious downfalls on July 4, the Fourth of July Celebration Committee this year beat the Weather Man at his own game by taking out an insurance policy of $3,000 with the Yangtsze Insurance Company, which corporation guaranteed a rainless day or stood ready to pay $3,000 to cover the damages. With this assurance, the Committee, under the chairmanship of Carl Seitz, made elaborate preparations for the Garden Party in the Verdun Gardens. Since it is impossible to describe the setting with words, the reader who failed to attend must apply the details to

his Fourth of July imagination. The decoration scheme was the work of G. F. Ashley, architect, in cooperation with the French Consular and Municipal officials of Shanghai. The long driveway leading to the country club building was lined with electric and ornamental Japanese lanterns and every tree and shrub on the grounds was a bower of lights. The center of the grounds was occupied by a replica in bamboo and matting of the White House at Washington, D. C. The white dome was illuminated with electric flood lights and was the outstanding feature of the decorative scheme. In addition to this there was an electric fountain illuminated by colored lights that was something altogether new in Shanghai. Tables were placed on the lawn in front of the "White House," where supper and light refreshments were served, and in addition there was dancing, a moving picture show; and music by several bands, including the Chinese Military band from the arsenal. The dancing pavilion was decorated with thousands of American, Allied, and the flags of the few remaining neutral nations

More Than 1,200 Attended

The function was attended by more than 1,200 persons, including the Allied Consular and Municipal authorities of Shanghai, as well as the Chinese provincial, city and court officials of the city. According to the plans of the Committee all funds remaining after the expenses are defrayed will be turned over to the American Red Cross chapter of Shanghai. The committee that had charge of the arrangements was composed of the following: M. F. Perkins, honorary chairman, Carl L. Seitz, chairman, C. P. Holcomb, A Goldsmith, Thos. F. Cobbs, Wm. A. Adams, W. A. B. Nichols, G. J. Petrocelli, J. B. Powell, H. H. Arnold, H. E. Morton, H. O. Hashagen, W. J. Eisler, G. F. Ashley, S. A. Ransom, J. W. Gallagher, Earl B. Rose, W. T. Findley, J. L. Butts, and S. S. McKee.

Notes from Peking

C. H. Minor, representative of the Western Electric Company in America, has been in Peking for more than three weeks conducting important negotiations. He has recently taken the house of Mr. Christian, of the American Trading Company, for the summer.

***

E. B. Price, Assistant Chinese Secretary in the American Legation, went to Peitaiho on leave on June 28. He, together with Mrs. Price, will stay there for three weeks.

***

In addition to the Fenghuagshan iron mine, it is reported that the Japanese capitalists have secured the working right of the Lungkuan iron mine through Lu Chung-yu, Chinese Director of the Exchange Bank in Peking.

***

As the situation in Kwangtung is growing more serious, the Government has repeatedly urged General Chang Huai-chih, Military Governor of the province of Shantung, who was recently appointed Commander-in-chief of the reenforcement to Kwangtung, to go to that province at once. In reply, a telegram was received yesterday requesting that $3,000,000 be remitted to him at once in order to enable him to start on this journey.

***

Lu Cheng-hsiang, Minister of Foreign Affairs, left Peking for Peitaiho on Wednesday evening to spend his vacation.

***

Dr. Paul S. Reinsch, American Minister, gave a dinner on Thursday evening to Chen Lu, Vice-Minister of Foreign Affairs, Hsiung Hsi-ling, Director General of Flood Relief and Conservancy, and a number of other officials at his home at the Legation.

***

The newly concluded treaty between China and Switzerland has been submitted to the President for ratification, after which official representatives will be exchanged. Liu Shih-hsun, former Vice-Minister of Foreign Affairs, will likely be appointed Chinese Minister to Switzerland.

***

The Metropolitan Police authorities compelled the representatives of the Japanese returned students to leave Peking on Tuesday for Tientsin, with the view of stopping their agitation against the recent conclusion of the agreement between China and Japan for military operations in Siberia in case the situation there should further develop.

***

Fifteen students were graduated from the Peking Union Medical College Monday last. The graduation exercises were attended by representatives from both the President and the Minister of Education.

***

Nishihara, secret agent of Count Teruachi, Prime Minister of Japan, has issued invitations to all the important Chinese bankers and financial officials and compradores of the foreign banks to a dinner to be given by him next week. He is responsible for many loans between China and Japan recently concluded, which are highly compromising to the former. One report states that he has formed a loan corporation, with Japanese bankers as shareholders, to lend money to China.

***

The agreement of Dr. Ariga, Japanese legal advisor to the Chinese Government, which has expired, will be renewed. This was the decision of the Cabinet at the recent meeting. His future functions will be to study changes in the interpretation of international law, chiefly concerning China, and to attend to general legal matters as hitherto.

***

E. W. Frazar, of Frazar & Company, who has his headquarters in Japan, is here in Peking this week. He has gone to Tientsin on business and will return to the Capital in a day or so.

***

Chen Lu, Vice-Minister of Foreign Affairs, on Friday gave a tiffin in the North Lake in honor of the American Minister, who is leaving for America on

Sunday evening on a brief visit. All the members of the Foreign Office and the American Legation were present on the occasion.

***

Mr. MacMurray, First Secretary of the American Legation in Tokio, will arrive here this evening to act for Dr. Reinsch during his absence from Peking. Mr. Willing Spencer, First Secretary of the Legation here in Peking, will leave on Sunday evening for Tokio to take the place of Mr. MacMurray temporarily. He will return to Peking upon the return of Dr. Reinsch from America.

***

The American Minister will take his family to Port Arthur, where they will spend the summer while he is absent in the United States for a conference with President Wilson. He is expected to return October 1. Some time ago he applied to the State Department for permission to spend his summer vacation in America, but as it was important for him to remain in Peking at that time, he was advised to wait. Last week there came a telegram from Washington requesting him to come to Washington at once for a conference.

***

The report that Dr. V. K. Wellington Koo, Chinese Minister to Washington, will start on his journey back to Peking on June 28 in order to report to the President personally on some of the important diplomatic questions between China and America, is untrue.

***

Simeonoff's troops, after being defeated by the Bolsheviks, retreated and entered Chinese territory. General Pao Kwei-ching tried to disarm them, but they refused to be disarmed. It is believed that he will have to resort to force in order to disarm Simeonoff's troops in accordance with International Law.

***

L. K. Tao, Professor of Sociology in the Peking Government University, and Miss S. J. Shen, a teacher of the Girls' Normal School, were married on Friday afternoon. The wedding took place in the Returned Students' Club in the presence of two hundred friends. Tsai Yuan-pei, Chancellor of the Government University and former Minister of Education, was witness to the ceremony. The marriage certificate read somewhat as follows: "Lu-kung Tao of Chihli, and Shin-jen Shen of Chekiang, having agreed to be married to each other, are to-day, the 28th of June, 1918, united in wedlock before the witness Tsai Yuan-pei. The affections of the two parties are overflowing and will continue though their hairs may turn grey. (Signed) Tsai Tuan-pei, Lu-kung Tao, Shin-jen Shen, etc."

***

A big storm blew over Peitaiho last Tuesday and lifted the roof off the hotel there, completely gutting the first floor. All the guests have been dispersed. Many returned to Peking. Peitaiho is the most popular summer resort for foreigners in Peking, Tientsin and neighborhood.

***

The Minister of Agriculture and Commerce has persistently refused to attach his name to the contract for the mortgaging of the mines of the whole province of Kwangtung by General Lung Chi-kwang, Inspecting Commissioner of Kwangtung and Kwangsi, to Japanese capitalists for a loan of $5,000,000.

***

Dr. Hawkling Yen, Councillor of the Ministry of Foreign Affairs, has gone to Shantung and Nanking on an important mission and will return to Peking in a month's time.

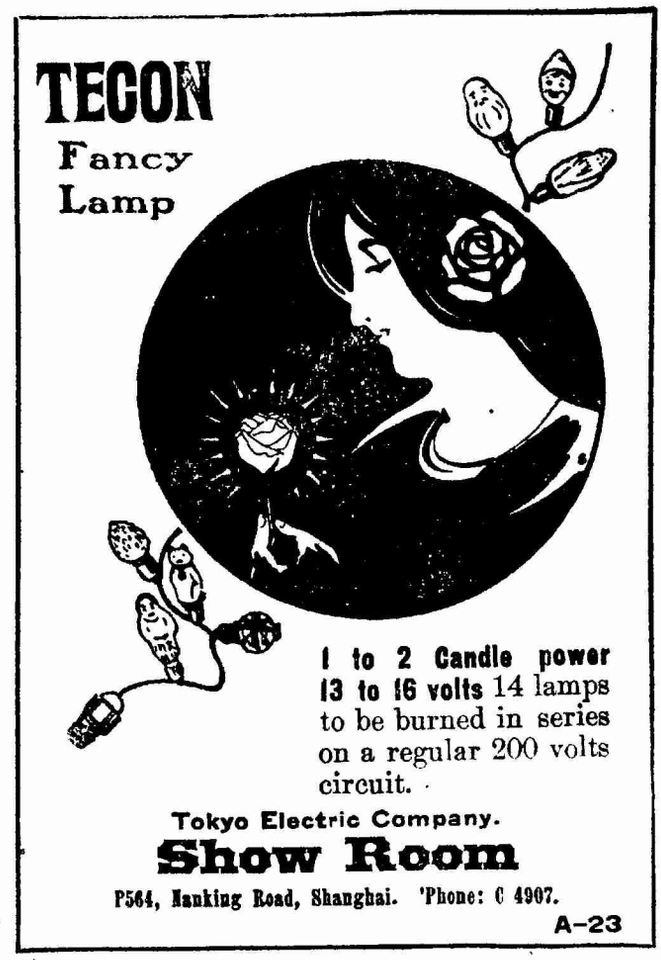
***

Dr. Y. C. Chang, President of the Tsing Hua College, will go to Tsing Hua to-morrow and take up his new duties.

***

The official text of the terms of the preliminary agreement of the Kirin-Hwei-ning Railway loan appeared in the *Government Gazette* on Saturday. It was signed on the 18th instant between Tsao Ju-ling, Minister of Communications, and Mr. Makawa, representative of the Governor of the Nippon Kogyo Bank. Soon after the conclusion of the preliminary agreement, the Financial Group of Japan, represented by the Nippon Kogyo Bank, advanced Yen 10,000,000 to the Chinese Government, without discount. The rate of interest is 7.5 per cent annually.

Peking, June 29, 1918.



Who's Who in China

Chang Yi-ling, Chief Secretary to the President.

Coming from a great literary family, Chang Yi-ling, Chief Secretary to President General Feng Kuo-chang, is a great scholar himself. When Yuan Shih-kai was President, he was also his Chief Secretary, and then wielded immense power in the Presidential Palace.

Born in Soochow, Mr. Chang is now over 50 years of age. When he was thirteen years old, he received a literary rank by competitive examinations which was above the equivalent of an A. B. degree. At the age of 20 he obtained his M. A. degree. From that time on, he served for a number of years as private tutor to scholars coming from all over the country to study. He can count many prominent men as his former pupils. Both Wang Ju-yuen, present Chief of the Financial Bureau of the province of Chihli, and Wang Jui-kai, former Civil Governor of Kiangsi, for instance, received instruction from Mr. Chang.

Mr. Chang's father was a famous literary man, having served as Magistrate in several provinces. One of his brothers is now Vice-Minister of Justice, Chang Yi-peng, who taught for some time in the Soochow University. His elder brother, also a scholar, died a few years ago.

After passing the Imperial Examination for Specially Talented Men shortly after 1900, Chang Yi-ling acted as secretary to a number of high provincial officials. His literary talent attracted the attention of Yuan Shih-kai, Viceroy of Chihli, who invited him to be his secretary. Later he was promoted to be Viceroy Yuan's First Secretary, and in that capacity he helped model the educational system of Chihli along modern lines.

When Yuan Shih-kai became President Mr. Chang was appointed Chief Secretary of the President's Office, which office he held for almost three years. He resigned as an expression of his disapproval when his chief aspired to be Emperor of China, set the monarchical movement afoot, and refused to listen to his advice that it was not wise to make this bold attempt. As soon as he got out of the President's Office, Mr. Chang was appointed Minister of Education, which office he held for a few months only. Later, he retired from public life and stayed in Soochow as a common citizen.

Only shortly afterwards, Vice-President Feng Kuo-chang invited Mr. Chang to be his Chief Secretary, which offer he accepted. When General Feng came to Peking to be President, Mr. Chang was promoted to be the Chief Secretary of the President's Office. He is still holding this position.

Mr. Chang is considered an honest and straightforward man. He is well liked by officials in Peking.

Week's News Summary

THE WAR

June 26. American infantry, supported by artillery, attack the German position southward of Torcy, capturing 240 prisoners and 19 machine-guns.

June 27. British aircraft make raids with good effect on several towns occupied by the Germans; at Bruges the quays and sheds and at Ostend the docks have been badly damaged, a total of 4 tons of explosives having been dropped; and at Karlsruhe the railway establishment and powder works are also hit.

June 28. French troops attack the enemy positions on a front of ten miles between Ambleny and Montgobert, advancing to a maximum depth of 2 kilometres and capturing 1,060 prisoners.——British troops carry out a successful operation on a front of 3½ miles eastward of the Forest of Nieppe, advancing to a depth of nearly a mile.

June 29. South of the Ourq French troops capture the crest between Mosloy and Passy-en-Valois, advancing 800 metres on a front of 3 kilometres.

June 30. Italian troops, supported by British and American troops, capture Monte Valbella after a bitter struggle, capturing 809 prisoners.

CHINA

June 27. It is rumored at Peking that the Government is raising a loan of Yen 20,000,000 from Japanese sources on the security of a large block of domestic loan bonds.

June 28. The Japanese sign an agreement at Changsha whereby they advance Yen 2,500,000 on the Hunan lead and zinc mines, of which Carlowitz & Co. formerly held a lien which was secured on the whole output.

July 1. Announcement is made at Peking that the Japanese had concluded negotiations for securing the right to constuct a railway from Tsiho to Shuntefu.

July. 3. Advices from Peking state that the Consortium banks having signified the absence of a desire to participate in the advance of Yen 10,000,000 to the Peking Government by the Yokohama Specie

Bank, the latter will probably pay over the money early next week.

SIBERIA

June 26. A telegram from Moscow states that the Czecho-Slovak troops have entered Ekaterinburg, where heavy fighting occurs.

June 27. The forces under Colonel Simeonoff attack the village of Abugatai, where there were over 1,000 Bolsheviks, and capture it; the enemy flee after losing heavily in casualties and prisoners.

July 1. Czecho-Slovaks, assisted by landing parties from British and Japanese warships, take possession of Vladivostock after overthrowing the present Bolshevik administration; they, together with American and Chinese sailors, are enforcing neutrality in the area where the Consulates are situated.

July 2. Telegraphic advices received through Kiachta (Mongolia) report that the Bolsheviks have been forced out of Irkutsk and are retiring eastwards.

GENERAL

June 26. U. S. Secretary of War Baker states that of the 900,000 American troops in France between 65 and 70 per cent are actually fighting troops.——The British Labor Party holds a most important conference under the presidency of W. F. Purdy; Mr. Purdy states it is necessary to make plans reconstructing social and industrial life after the war but to do this it is most essential first to win the war; a statement by M. Kerensky, the former Russian dictator, that the Russian people would shortly join in the fighting for the great cause of freedom, was received with cheers.

June 27. In the House of Commons Lord Robert Cecil states that the Allied Governments are constantly discussing measures with a view to saving Russia from German invasion, domination and exploitation, but he is unable to make a definite statement at present on the question of intervention. ——Field-Marshal Viscount French, Lord Lieutenant of Ireland, speaking at Belfast, states that voluntary recruiting would be prosecuted with every consideration, but if the numbers required were not obtained and compulsion was necessary, then the number of recruits would be regulated by the population, as elsewhere in the Empire.

June 29. In the Reichstag the Progressive Deputy, Herr Gotheim, states that the Roumanian harvest would be a complete failure owing to war and bad weather.

June 30. The severe losses suffered by the Austrians in their recent retreat across the Piave are confirmed by a speech in the Hungarian Parliament by Dr. Wekerle, the Hungarian Premier; between June 15 and June 20 the Austrians lost between 80,000 and 100,000 men.

America

The old Siegel-Cooper-Meet-me-at-the-fountain department store building on Sixth Avenue, New York City, has been taken over by the Government as a hospital.

Men and Events

Dr. H. W. Newman, of the American Baptist Hospital at Ung Kung (near Swatow), is visiting in Shanghai. His address is No. 9 Ningpo Road.

The graduation exercises of the students of the Preparatory Department of the Fuh-tan University, Siccawei, were held on Monday afternoon, July 1, at 4 o'clock.

O. W. Gott and J. A. Mitchell, of the faculty of St. John's University, left Shanghai on the *Kashima Maru* for the United States, where they will enlist in the army.

The Rev. Peyton Stephens, of Chefoo (China), will depart in October for an extended visit in America. Reverend Stephens has been in China for twenty-five years. His home is at Columbia, Mo.

A telegram from Washington received here states that President Wilson delivered a Fourth of July address at Mount Vernon, representatives of the Allied nations taking part in the celebration.

Over $100,324 is the amount pledged for the new Y. M. C. A. Hotel, as given out by the campaign workers on Thursday, July 4. The amount secured on Thursday was $6,579. The team working under S. W. Zau is leading with an amount of $3,382.

The Chairman of the Soviet (Council) at Habarovsk, who is a returned emigrant from America, is reported to have disappeared after appropriating Rbls. 1,000,000 and is believed to have fled to Japan through Harbin.

The Nanyang College will hold its Commencement Exercises to-day (July 6), beginning at 2 o'clock p. m. Thirty students from the college department will receive certificates and there will be fifty members of the Middle School who will also graduate.

The sum of $565.20 and Tls. 20 was realized from the Canadian Red Cross Day of Dominion Day on July 1. The Misses Hutchinson, Morton, Walker, Whitfield and Pearson sold Maple leaves, the emblem of the Dominion. The Tank was sent out ahead to remind the people that it was Dominion Day.

The announcement of the engagement of H. T. Bradley of the Standard Oil Company, catcher on the Shanghai baseball team, to Miss Genevieve M. Robinson of Hallowell, Maine, has been made. Miss Hallowell will come to Japan about July 11, accompanied by Mr. Bradley's mother, and Mr. Bradley will meet them in Nagasaki, where they are to be married.

The Canton Intelligence Bureau, in a circular dated June 25, states that the National Assembly of the Republic of China, now meeting in regular session in Canton, will again repeat its previous declaration that it will repudiate all agreements or contracts which have been or will be made by the Peking Government with foreign governments without the approval of the Assembly as provided by law.

By a decision given by Mr. Ros, the Italian Assessor, at the Shanghai Mixed Court, July 3, the application of the defendants for a new trial in the *Shun Pao* (Chinese newspaper) litigation, was denied and the application of Messrs. Hays and Musso, who appeared for the plaintiffs, that the previous judgment be enforced was granted.

At the Shanghai Mixed Court, July 3, a German Swiss living at 25 Carter Road was charged with forging Russian passports which had been used by several Germans in attempting to make the journey home *via* Siberia. The trial will take place July 17, it having been postponed pending the arrival of several Germans who were arrested at Tientsin and Harbin with forged Russian passports in their possession.

For the first time in the history of the institution and of South China, degrees were conferred by the Canton Christian College at this year's Commencement Exercises to three young men, who received degrees of Bachelors of Arts. The degrees were granted upon the authority of the Regents of the University of the State of New York. Certificates of graduation from a five-year Middle School course of study were also granted to twenty-four students.

The following officers have been elected by the Chinese General Chamber of Commerce at Foochow (China): president, Bing-yung; vice-president, Ching-chee. The term of office is two years. The election was held in the presence of a representative of the Civil Governor of Fukien Province and the names of the officers have been submitted by the Civil Governor to the Ministry of Commerce and Agriculture at Peking for ratification.

That the American War Savings Stamps are popular outside of the country is shown by figures issued this week by E. H. Everett, American Postal Agent at Shanghai, showing that G.$18,100 worth have been disposed of at the American Post Office at Shanghai during the last few months. Five thousand new stamps were received this week and ten thousand more will arrive within the next few days. Mr. Everett stated that he had orders from the outports in China for 1,000 stamps, which will now be supplied within the next few days. The rate for the stamps during July is G.$4.18. It is an interesting fact that a large proportion of the stamps have been purchased by Chinese.

The death occurred at Peking, July 3, of Sir Robert Bredon, the most distinguished foreigner in the Chinese Government service, at the age of 72 years. Sir Robert Bredon was born in Ireland and educated at the Royal School, Dungannon, and at Trinity College, Dublin. After practising medicine for a time in Ireland and passing the army medical examinations he was appointed to the 97th Regiment. He then joined the Chinese Maritime Customs in China and as Commissioner served in Hankow, Canton, Ningpo, Chefoo and Shanghai (the latter during the Boxer years). In 1898 Sir Robert was appointed Deputy Inspector General and in 1908 was appointed Acting Inspector General, upon the departure of Sir Robert Hart. Sir Robert leaves a widow and a daughter, Mrs. Lauru, wife of C. H. Lauru of the Salt Gabelle. The flags on the Custom House and the Custom cruisers and stations flew at half mast yesterday as a tribute to the departed official.

At the thirty-ninth annual Commencement Exercises of St. John's University on Saturday, June 29, there were twenty-seven degrees awarded. Seventeen scholars received the degree of Bachelor of Arts and ten others completed their studies in the School of Science. Diplomas were also presented to students who had finished the course in Chinese. Dr. F. L. Hawks Pott, president of the University, in the opening address announced that the University had received a gift of G.$80,000. In addition to the speakers the following guests were present: Sir Havilland de Sausmarez, American Consul-in-charge M. F. Perkins, Ivan Chen, Commissioner of Foreign Affairs, E. C. Pearce, Chairman of the Municipal Council; the Rev. E. J. Malpas of the London Missionary Society; G. S. F. Kemp, head of the Municipal School for Chinese; T. R. Jernigan, and Dr. F. D. Gamewell of the Methodist Episcopal Church Mission.

According to instructions received this week by E. H. Everett, American Postal Agent at Shanghai, the new American postal regulations regarding postage on newspapers and magazines will be applied on publications mailed through the American Postal Agency at Shanghai from July 1. The new regulation that has caused considerable discussion in America abolishes the old flat rate of one (gold) cent a pound on publications regardless of the distance they are mailed, and in place institutes the zone system of distribution. Since the Shanghai post office is theoretically in the eighth or last zone the rate of papers and magazines from this point to places in America will be gold 1¼ cents on the reading matter portion of the publication and gold 3¼ cents a pound on the advertising pages. For all publications except religious journals, which have a special rate, the new rate from Shanghai to the United States amounts to from two to four times the rate previously in force.

Suit was commenced in the British Supreme Court, July 1, by the Shanghai Municipal Council against the Shanghai Hongkew Wharf Co., Ltd., to secure payment of taxes in arrears on land registered partly in the British and partly in the American consulates. The land in dispute is what is known in Chinese as *shengko*, that is, it is a riparian accretion, following on the gradual subsidence of the water along the left shore of the Whangpoo, where it adjoins the warehouses of the defendants. The Wharf Company some years ago went through the formality of securing title to this land and now the Municipal Council asks them to pay taxes on it. The objections of the defendants to the assessment are that the land in question is covered by water; also that the defendants are not in occupation of the land in repect of which they were assessed and that it is not capable of development. The plaintiffs ask for a declaration of the Court that the land tax payable by the defendants from January 1, 1912, to December 31, 1916, is Taels 168,212.70.

Missions to Take Census of China's Population

One of the jobs that the China Missionary Continuation Committee of Shanghai has outlined for itself for the coming year, is a census of China. Estimates as accurate as possible will be made of the population in each province and the proportion of the population in each province resident in cities of 50,000 and over, in cities of 10,000 to 50,000 and in country districts. The committee plans to obtain if possible the latest Chinese Government estimates and make them the basis for their work. For years the population of China has been estimated from three hundred and fifty to four hundred and fifty millions, but there has never

been an accurate census taken and the question exists whether a census from the standpoint of Western nations could be made in China. It has long been a custom of Chinese military governors and officials to estimate the population in their districts in accordance with conditions. In case an estimate for taxation purposes was wanted the number of people in the district was minimized. If an official was to receive some kind of bonus or appropriation in proportion to the population in his province, he boosted the figures accordingly. In addition to the census, the committee will prepare maps and charts showing the location of mission stations, schools of middle grade and above, both Christian and non-Christian, and the number of eleemosenary institutions. A chart showing the location of all mission and other hospitals will also be prepared. Another important phase of the work of the committee for the year will be the preparation of figures showing the *quantity* of missionary work done in China with surveys of the character of the work being done and its adaptability to present-day conditions and needs. The committee is composed of the following: E. C. Lobenstine, chairman, G. H. Bondfield, C. L. Boynton, C. Y. Cheng, H. Fowler, James Stark, Y. Y. Tsu, A. L. Warnshuis, H. A. Wilbur and M. T. Stauffer, secretary.

Chefoo Celebrates "Fourth"

The American citizens resident at Chefoo also celebrated the Fourth of July in appropriate manner and in the celebration they were assisted by citizens ot the Allied and neutral nations living at the port. The celebration was held in the grounds of the American consulate. There were side-shows along the lines of the country and state fairs held in the United States and in addition there were moving pictures, a male quartet, a folk dance given by eight young ladies, and a minstrel show. Following the program, supper was served under the trees and there was dancing. The day closed with an exhibition of fireworks.

Japanese Residing Abroad Number Nearly Half Million

Consul General Scidmore, at Yokohama, reports: Figures published in the *Japan Gazette* show that at the end of June last year the total number of Japanese residents abroad was 450,773. These figures indicate an increase of 50,357 as compared with those of the corresponding period of the preceding year. The following table shows the number of those residing abroad at the end of June, 1917:

Residing in—	Men.	Women.
United States	151,606	76,572
Manchuria and Kwantung	60,492	51,766
China and Tsingtao	25,937	21,189
Australia and South Pacific countries	21,441	8,067
Brazil	3,050	2,688
Other States of South America	24,235	2,621
Europe	978	130

—*Commerce Reports.*

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Correspondence

Jews and The Bolshevist Movement

To the Editor, Millard's Review:—

Your reference in your issue of June 22 to the effect upon the opinion of the world in regard to the Zionist aspirations of the Jews because of the leadership of Jews in the Bolshevist movement is, I believe, unfortunate as it does not actually represent the situation in Russia. In the first place, from the very beginning of the present revolutionary movement in Russia Jews have been leaders in all the parties: Vinaver has held a position of almost equal importance with Milyukoff in the conservative Kadet group; Dan, Gotz, Martoff, Schreider and others have been to the fore in the Social Revolutionist party and among the Social Democrats. Among the Bolsheviks, it would be useless to deny, Jews do play a prominent part, but Lenin is not a Jew; Lunacharsky is a Christian Socialist; Mme. Kollantai belonged to the Orthodox faith before she became hetrodox. Trotsky is perhaps the most startling personality in Bolshevism and therefore the world, which has had inadequate information on the movement, believes that it is Jewish.

The reasons for Jewish leadership in radical and progressive Russian politics are not difficult to find. Only ten per cent of the students of Russia were permitted to be Jews, but the number allowed inadequately satisfied Jewish desire for learning. Sons and daughters therefore were sent from the Pale to study in Germany, Switzerland and France. Coming from a country which needed revolution and needed it badly, coming from the people in that country which had suffered most from the bureaucracy and from

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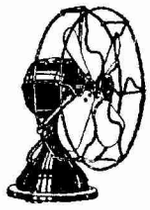
the unsocial organization of the Russian state, the Jewish students outside of Russia formed into groups for the discussion of change in Russia—and for the carrying into effect the programs evolved. Naturally they came under the influence of socialism —of continental socialism with its conflict between revisionism and marxism. They thought out a political and social policy for Russia which was not the result of their closeness to the Russian people and to Russian life but which was western or rather for the most part central European. When the war broke out many of these students returned to Russia and joined the army: they became the vanguard of the Social Revolutionist party, the party of Kerensky aud Bresko-Breshkovskaia on the right and Chernoff on the left; others joined the various groups of Mensheviks and Social Democrats. However, quite a large element remained in western Europe where they found themselves in difficulties with the Allied governments, particularly with Great Britain: these returned after the revolution and were really outside of its scope: they are the Bolsheviks.

Bolshevism in Russia was fought as bravely and as intrepidly by Jews as it was defended by Jews. No nobler figure appeared in Petrograd during that sad week when Kerensky was running away and the Ministers were in Peter and Paul than Schreider, the Mayor of the Capitol. While the Kadets were scheming with Korniloff and Kaledin for a return to Tsarism, while those who now in Peking and Yokohama talk so loudly of their loyalty to the Allies and to their fatherland, Russia, were intimating that *ordnung* could only be restored by Wilhelm, Mayor Schreider defended the right of local self-government and the Constituent Assembly. Well shall I remember the day when thousands marched through the streets of Petrograd to the Tauride Palace led by this grey-haired warrior for human freedom—and the Bolsheviks dared not interfere. He held his fort in the City Duma until he found that he had been deserted by all those brave men who are now so noisily denouncing Bolshevism but who in the days after Kerensky's flight were also flying, who, when Russia needed real leadership, hid. Then he moved from the City Duma and called his municipal council meetings in the different district dumas. A brave man, a valiant fighter, a vigilant defender of the revolution, was Schreider—and he is Jew.

The Jews were and are leaders in the Russian revolutionary movement because they can read and write, because they have had political experience, and because they unselfishly devote their energies to party organization. The great masses of the Russian people are illiterate. When regiments organized army committees they found that they had to call upon a Jewish soldier to write their minutes, to conduct their correspondence, to act as chairman. When delegates to the Council of Workmen and Soldiers' Deputies were elected the workers found that only Jewish workmen and Jewish soldiers could read and write sufficiently well to participate in the affairs of the Council. This is no reflection on the Russian workmen and soldiers: it is a damaging proof of the evils of Tsarism, the evils of a system the return of which is being planned in Harbin and hoped for in Peking. The Jews became the organizers because they could communicate with a central organ; they became powerful in the central organ because they were capable executives. There was in Petrograd a genuinely Russian *intelligentzia* which might have taken the place of the Jews; but they were busy lamenting the mistakes of Kerensky, reading Sanine, snuffing cocaine and talking. One of the great disappointments of the revolution has been the inactivity of the *intelligentzia*. It was dead.

But even were the Jews not active in all parties as well as in Bolshevism, the effect of Trotsky's leadership of the Bolshevist movement on Zionism appears to me somewhat far-fetched. Zionism aims at the elimination from Jewish life and from society such types as Trotsky—the child of injustice and oppression. Zionism aims at freeing the Jew from disabilities which make him everywhere the element of dissatisfaction. Zionism purposes to make the Jew a free and a proud man who has not been soured by prejudice and privation. If the world is frightened by Bolshevism it ought to become Zionistic, for it sees what is the result of Russia's injustice to the Jew. If the world believes that Bolshevism is Jewish, it ought to free the Jew from the shackles which make him Bolshevist. Punishment is not the remedy. An opportunity to live a free and clean life, an opportunity to live according to the traditions and aspirations of his history will divert Jewish social energy from destructive to constructive lines. Zionism is an outlet for the best that is in the Jewish soul because it gives him a country, a nation—a language, a national industry, a national



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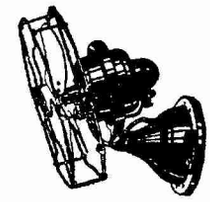

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life. Zionism means the reconstruction of twelve millions of the dissatisfied people of the earth.

The Zionist movement is the most fundamental principle of Jewish life. It is as old as the Jew is himself. It calls for the establishment of a homeland for the Jewish people in Palestine. Throughout his history the Jew has been able to suffer every disaster because he felt that the day of the Messiah would come: the day when he would return to the banks of the Jordan to erect by its waters a home. Nowhere has the Jew really found a home. In recent times he has been allowed political and economic freedom in western Europe and in America; but the social ban has often been almost unbearable. The United States and Great Britain and the smaller nations of northern Europe have been friendliest to him and have welcomed him. But always his heart yearned for the East, for the land that his religion promised him, that his national consciousness called its own. And now, thanks to Allied successes in the East, the day of Messiah has arrived for the Jew, Palestine is again to be his. The situation in Russia cannot effect that, for England and France have given their word and the Jews of the world have shown their gratefulness.

But the situation in Russia is not yet clear. Here in China one reads about events in Russia through distorted glasses. Bolshevism has not yet been proved to be the evil of Russia, the harm of the world. Bolshevism, with Trotsky's new army, may still help to save the cause of the Allies. A comparison of the reports received here and those which appear in the American newspapers from the Associated Press correspondent in Moscow do not gibe. Bolshevism, when I was in Russia, proved itself the only solution of what appeared to be an unsolvable problem. It is perhaps for that reason that Ambassador Francis refused to leave the country when all the Allied diplomatists deserted it; it is perhaps for that reason that President Wilson directed his message to the Congress of Soviets.

GEORGE E. SOKOLSKY.

Australian Premier Asks for American Assistance Against "Predatory Nations."

American papers to hand yesterday contain the full report of a speech made by W. M. Hughes, the Premier of Australia, in an address before the Pilgrim Society, New York, May 30. After reviewing the great menace of Germany he said that this brought him to a matter of life and death importance to Australia.

Mr. Hughes, after pointing out the proximity of numerous other islands to the large Island of Australia, mentioned that New Guinea, which before the war was divided into three parts, held by Holland, Germany and Australia, is as large as Cuba, the Philippines and the greater part of Japan all taken together.

America, Australia and New Zealand had common interests in the Pacific, Australia looked to America as her elder brother to stand by her around the peace table as well as on the field of battle; if the Commonwealth was to remain a home for free people the Australians had to have guarantees against enemy aggressions in the future and this guarantees involved an Australasian Monroe doctrine in the Southern Pacific.

In the course of this speech Mr. Hughes also said that Australia looked to the United States for cooperation for protecting the Commonwealth against predatory nations.

Women's Work

Mrs. C. L. Lobingier present at Convention of General Federation of Women Clubs of America

The American women of Shanghai will be glad to know that the American Woman's Club of China was well represented at the fourteenth biennial Convention of the General Federation of Women's Clubs of America held at Hot Springs, Arkansas, from April 30 to May 8, by Mrs. C. L. Lobingier, former president of the American Woman's Club, Shanghai. The program was devoted to war service and the Club was in session each day from 8:00 to 5:00 o'clock. At the business session held on Saturday morning, May 4, Mrs. C. L. Lobingier extended greetings to the Club from the Shanghai American Woman's Club, and on Saturday evening a Pioneer's dinner was held at the Hotel Arlington. Those among the honor guests and speakers present were: Mrs. J. E. Cowles, president of the General Federation of Women's Clubs; Mrs. Moore, ex-president; Miss Brown, vice-president; Mrs. York, Sorosis, and Mrs. Lobingier of Shanghai.

Before the adjournment of the meeting of the last day of the Clubs, Mrs. C. L. Lobingier extended an invitation on behalf of the American Woman's Club of Shanghai for a Federation composed of Federation Board and presidents of State Federation's and individual Clubs to meet in 1919 at Shanghai.

Mr. Doubleday Writes of Visit to Far East

The *Fourteenth Division Bulletin* (of June), published by the Territorial, Insular and Foreign Division American Red Cross at Washington, contains the following article written by F. N. Doubleday, national organizer for the American Red Cross:

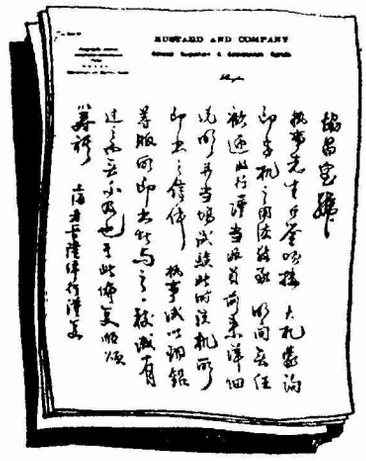
"Americans who live 10,000 miles and more away from home need the 'get-together spirit' as much, indeed more, than we do here in the United States.

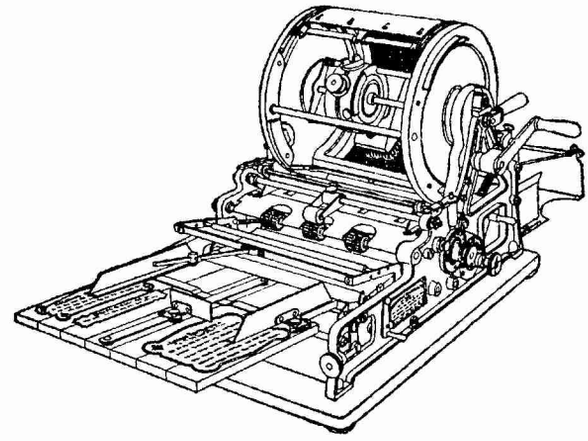
"In my journey of 25,000 miles, which included the chief cities of the Hawaiian Islands, Japan, the Philippine Islands and China, a territory inhabited by some six or seven hundred million people, I met thousands of Americans, and there were very few of them who were not deeply interested in the war, notwithstanding that it seemed so remote and affected their physical comfort so little. The impossibility of taking any active part in the war seemed to stimulate their interest in the Red Cross, and they were not only eager for news of what the organization was doing in raising money, in giving service, in conducting hospitals in France, and providing medical supplies, etc., but they showed a real zeal and impatience to get to work; as I heard them say a hundred times, 'We want to do something and begin at once.'

"In most of the places we visited, the lack of organization told terribly on the spirit and interest, which should have led to practical results. All sorts of small factions had been formed, each interested in a single effort, but there was practically no cooperation, and often no small amount of friction.

05-226

100 Chinese Letters
A MINUTE





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"The appeal that the American Red Cross made to them was instantly successful. We said, 'The American Red Cross needs you and you need the American Red Cross—its spirit, its wonderful activity and its real efficiency, the efficiency of the heart and the soul as distinguished from the German efficiency of the brain and the hand.'

"In the chief centers of China and Japan, which had not until last winter been organized, Chapters and Branches were established, and they started in full working order, under the truthful statement that Americans who fell into disagreement among each other, or failed to pull absolutely together, committed a disloyal act.

"When our countrymen in foreign lands realized that the Fourteenth Division of the American Red Cross was founded and working day in and day out to organize the war relief activities of Americans in all parts of the world, properly formed organizations sprang up and began to work. The field is still by no means fully occupied. There should be at least four times as many Chapters, Branches and members as we have now."

Activities of Chapters of the American Red Cross

According to the *Fourteenth Division Bulletin*, the activities of different Chapter workers is indicated by the following statement of supplies which have been received at the National Headquarters of the American Red Cross at Washington: Hawaiian Chapter.—Shipments averaging 36 cases per month show how busy have been our American, Hawaiian, Japanese, and Chinese members since the United States entered the war. In Honolulu, surgical dressings are made in the Throne Room, where 150 women of many nationalities gather daily to work. Hospital garments are made in a building not far away. From the Islands of Maui, Kauai, and Hawaii, reports show just as great production, proportionately. The Hawaiian Chapter has undertaken the equipment of troops leaving the islands, and the following knitted garments was given the Quartermaster's Department:

500 sweaters, 500 pairs of socks, 100 mufflers, 100 pairs of wristlets, 100 helmets, 1,000 comfort kits.

These articles will be given the soldiers as they go on board ship. This month the shipment of 60 cases surpasses all previous records of any Chapter in the Fourteenth Division.

Japan.—Large shipments of bandages and garments have been received regularly from Japan. The Yokohama Chapter averages 4 cases monthly; the Kobe Chapter shipped in April 9 cases; and the Tokio Women's Branch 11 cases in March.

China.—In March the Peking Chapter sent 7 cases of bandages and hospital garments; the Shanghai Chapter shipped 6 cases of surgical dressings in March; and 6 cases of bandages and knitted garments in April.

The American Red Cross authorizes the following announcement on May 8: A gift of 10,000,000 francs to the French Red Cross from the war fund of the American Red Cross has been declared.

Women and Events

Mrs. Alfred Gwynne Vanderbilt, who was made a widow by the sinking of the *Lusitania* in 1915, was married to Ray Baker, director of the Mint, the early part of June. The wedding took place at Homewood, Mrs. Vanderbilt's country place in Lenox. Mr. Baker, of Nevada, was made Director of the Mint by President Wilson in 1917. He was secretary to the American Embassy in Petrograd.

Approximately 20,000 women have been placed in positions through the Federal Employment Service since February 1.

The Motor Corps of America, an organization of women, has been officially recognized by the Army Medical Department and will be under the jurisdiction of the Surgeon General.

A special course in naval architecture, of not less than six weeks, is offered by six co-educational universities and technical schools in the United States. The course is given for the purpose of increasing the supply of ship draftsmen so needed by the government at the present time.

According to the *Official Bulletin*, the Italian women are proving their efficiency in war. Practically every woman from 16 to 60 years old is a war nurse or volunteer war worker.

Mrs. Vincent Astor (New York) has been acting as waitress and dishwasher at a canteen in Bordeaux. Mrs. Astor, with the assistance of Mrs. Rumsey and daughter, conducts the canteen.

Lloyd George (London) has appealed to all women of Great Britain to work on the land and hopes that every strong girl will respond to work on the farms.

M. C. P.

Far Eastern Press Opinion

American Activities in North Manchuria

From the Manchuria Daily News (Japanese paper at Dairen)

The tactful activity of the Americans in North Manchuria amongst the Russians in both political and economical circles calls for admiration. The American footprints are nearly always marked with some impression made on the Russians, either politically or economically. The Americans seem to be taking for granted that Russia will be certainly reconstructed into a first-class Power and are supplying stores and supplies to the Russians without stint so as to let their influence take root among the Russians. The American activities are planned with foresight and on an extensive scale, and a casual observer will scarcely notice anything remarkable in their work amongst the Russians. The experts of the U. S. Railway Mission now at Harbin form the van of the American active workers. They have organized the Russo-American International Commerce Association, opened direct trade relations between the Russian and American merchants, established English schools, and promoted races, and are giving exhibitions of cinema pictures showing the military, economical, political and social aspects of the United States (contributing the net proceeds from these enterprises to the Russian Red Cross funds).

From the Hsin Shun Pao (Shanghai)

So long as the present Cabinet stands, there will be trouble for China. This is not an exaggeration, because we have taken care in all our writings to be

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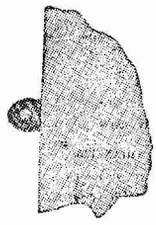

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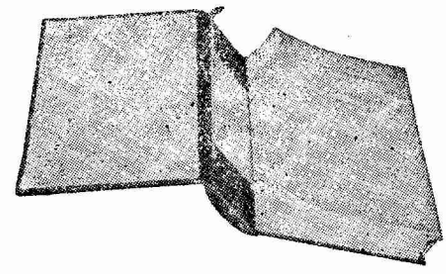

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absolutely fair to all parties and endeavored to restrain ourselves from giving expression to opinions which may tend to do harm to others. But all hope for improvement on the part of the Government is gone, and it is now impossible to expect it to save China. It is this conviction that has driven us to attack the present Cabinet with the hope that it may come to an early end, since this is the only way by which a just settlement of all the outstanding questions between the North and the South may be effected.

When the internal war was first started public opinion was generally on the side of the North, for the people believed that the South was usually guilty of first offensive in the matter of internal strife. But as the war progressed, the opinion was divided as to the merits of either side, because both are making too severe and unreasonable demands on each other. But now there is no question that the public opinion is all on the side of the South and the one desire of the people is that the country may have peace. What is more, public opinion is turning from dislike for the present Cabinet to hatred, because of the high-handed manner with which the Government is treating all questions of state, showing absolutely no feeling for the miseries of the people. The Government is justly criticised for its recklessness in borrowing foreign loans to continue the war, as it is mortgaging everything that is valuable for a few million dollars. For these reasons, we are sure that the people will welcome the fall of the Tuan Cabinet. The end of the present Government is very near, which, as we stated in the beginning of this article, is the only salvation of the nation.

Improving China's Tea Industry

BY YU LIN-CHANG

UP until seven centuries ago, China was the only country producing tea, the most widely diffused of all "temperance" drinks. In the thirteenth century tea was introduced into Japan by way of the southern island of Kyushiu and till well into the nineteenth century, China and Japan remained the only tea producers. In 1826 the Dutch succeeded in growing tea in Java and ten years later the first pound of Indian tea was sent to London from a plantation in Assam. Tea was first brought to Europe in the seventeenth century. It is related that in 1659 when the first Emperor of the Manchus received in audience a Russian embassy carrying a conciliatory letter from the Tsar, the embassy was loaded up with numerous presents, among them being a number of packages of tea. Later on three hundred and sixty pounds of tea were carried to Moscow overland, and thus was begun the enormous trade in this article between China and Russia, which has continued ever since. In this overland trade to Russia hundreds of thousands of camels were used in transporting the tea. This method is still used to a certain extent, but since the advent of the Trans-Siberian Railway it has become more and more the custom to send shipments by way of Vladivostock instead of across the desert of Gobi.

The first mention of tea in England, so far as is known, was in the year 1671, the price then being from £6 to £10 per pound. It was used not so much as a beverage as a medicine.

China has long since been outstripped in the tea trade by such rivals as Japan, India and Ceylon, notwithstanding that intrinsically the Chinese tea is by far the best, as it contains less of the active poisonous principle than do the others. Tea is produced in nearly all parts of Central and Southern China, the plantations being usually very small in size. The leaves, after being carefully picked and dried, are sold to collectors; these collectors resell them to tea hongs; and they in turn resell to retail dealers for local consumption or to the middle-men who supply the foreign merchants. Up until about half a century ago the profits of these tea hongs and foreign tea merchants were enormous, but with the gradual competition of Japan, Ceylon and India, profits in this line have been very much cut down and the trade offers very little more attraction than does any other staple line.

A graphic idea of how Chinese tea has been driven out of the English market by Indian and Ceylon teas may be gained from the following figures. In 1865 out of every hundred pounds of tea sold in England 97 pounds were Chinese and only 3 pounds Indian; by 1874 the proportion was 84 pounds Chinese to 16 pounds Indian; by 1885 the proportion had altered to 61 pounds and 39 pounds respectively; by 1886 the Chisese proportion had fallen to 59 pounds and the Indian had risen to 41 pounds. Since that time the Chinese proportion has decreased very considerably, whereas Indian and Ceylon teas practically control the market. The position of Chinese teas in the English market has of course become not only worse but also relatively worse on account of the war.

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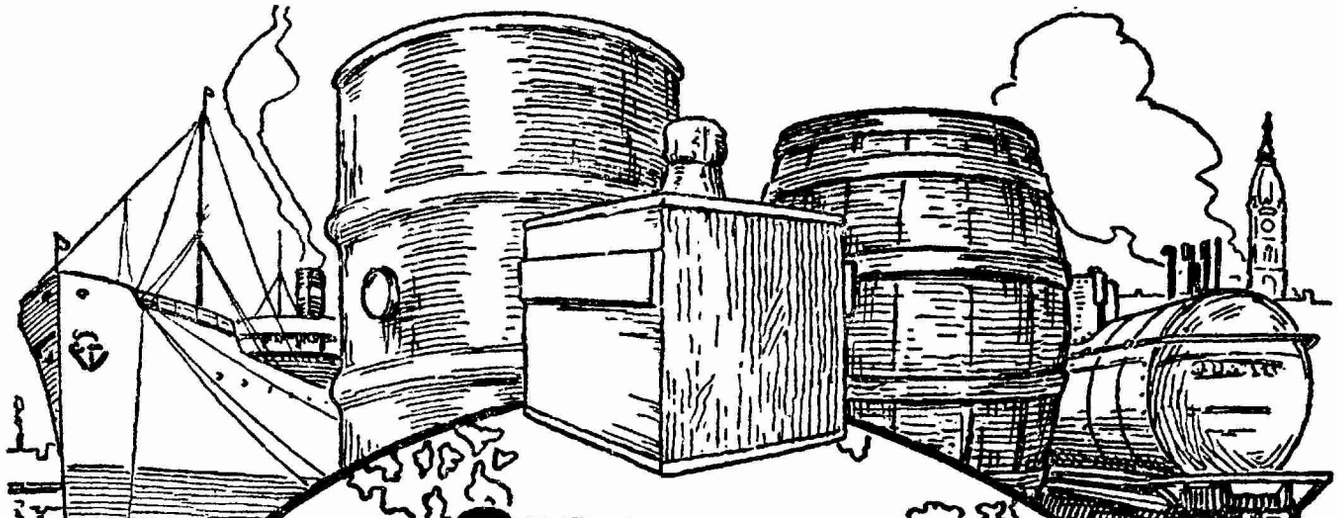

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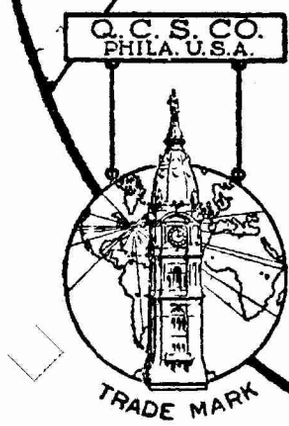

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The charge is frequently made that the principal reason for the decline in the popularity of Chinese teas abroad is that the quality has deteriorated, but, generally speaking, this is not the case, and just as frequent complaints are to be heard in foreign markets concerning extraneous substances being found mixed with the tea coming from other countries as from China. It is probably true that the teas from other countries keep better without showing any deterioration owing to the fact that they are more carefully prepared, but the main reason why other teas, particularly those from India and Ceylon, are in greater demand than Chinese teas is that the others are being sold at considerably cheaper prices and are better advertised.

Some of the reasons for the high price of Chinese teas are the following:

Chinese teas are more heavily taxed, for although all teas pay the same import duty at their destination they are differently taxed at the point of departure; Japanese teas pay only a fourth as much export duty as Chinese pay; Indian teas pay no export duty whatever. Indian teas are more economically prepared. In India the work of a large plantation is managed by one head from first to last, but this cannot be the case in China, because of the smallness of the plantations; owing to the numerous hands through which Chinese teas pass expenses are multiplied and the tea becomes expensive.

The following are the more common defects to be noted in the preparation and packing of Chinese teas:

(1) Too long an interval is allowed to elapse between picking and firing; firing inadequate; tea deficient in strength, loses its flavor and does not keep.

(2) Spoiled leaves not rejected but packed with good, with the result that the good is also damaged; too much dust put in each box, whole being adulterated by intermixture of leaves of other plants.

(3) Boxes in which tea is packed not strong enough and well enough made for its protection.

(4) Tea delivered often not up to muster.

The following remedies were suggested by the late Sir Robert Hart in his report to the Tsung Li Yamen some thirty or more years ago:

(1) There ought to be a sufficient depth of soil when the tea shrub is planted and the ground ought to be weeded and manured.

(2) The shrub ought to be well cared for; priming ought not to be neglected; aged shrubs ought to be removed and new ones planted instead.

(3) Leaves should not all be removed from the shrub at the same time, but only such as are ready for gathering; leaves which are ready ought to be picked from all the trees in the plantation at the same time, but only such as are ready for gathering; leaves ought not to be picked too soon or too late. Although two days overgrowth gives an increase of 25 per cent in weight, it causes a decrease of 35 per cent in value.

(4) After leaves are picked, the subsequent processes—withering, rolling, fermentation and firing—ought to be at once proceeded with. The greatest care should be exercised at each step and the leaf ought to be well protected from the weather, especially just after picking and while awaiting other processes.

(5) Inner and outer cases in which tea is packed ought to be more solidly made and more securely closed.

India teas owe their popularity to their being handled approximately as above recommended. This is easily

accomplished in India where a single tea plantation means thousands of shrubs on the same spot, where picking, withering, rolling, firing, packing and despatching are all proceeded with at once and under the same supervision and management. In this way proper attention is given to each leaf at each stage, and at the same time the tea produced is first-class. The expenses are also reduced to a minimum.

The causes for the popularity of the Japanese, Indian and Ceylon teas may be summed up as follows:

(1) Price is cheaper because machinery is used in manufacturing and the teas go through fewer hands in the process of picking, manufacturing, and shipping, and because very much less or no export duty is paid.

(2) The qualities are better because the teas are more carefully prepared by machinery.

(3) They are packed in more convenient packets.

(4) Advertising is done on a large scale.

Several million dollars are being spent every year by the Indian and Ceylon tea companies in advertising, with the result that their teas are very popular both in England and America. The Japanese tea companies are doing the same thing, in America especially, and from time to time representatives are sent abroad to study the markets and find out what kinds of teas are wanted.

What have the Chinese tea merchants done? Practically nothing. They are conservative and are satisfied with the old methods. Little do they care for any improvements in any direction. That is the reason why the Japanese, Indian and Ceylon teas have doubled, tripled, even quadrupled, their foreign business, whereas the Chinese foreign tea trades have remained stationary or diminished.

Exceptions to this state of affairs in China are the China Tea Company and the Ningchow Tea Plantation Company, which are conducted by a group of progressive young Chinese whose fathers are all old hands and experts in the business. They are now devising, to the best of their ability, ways and means to restore China's prestige in the tea markets of the world. The plants are modelled much the same as those of Indian and Ceylon tea plantations. The China Tea Co. is the first company of its kind in the history of China's tea industries. It is selling teas turned out by the Ningchow Tea Plantation Co., which cultivates tea and prepares it by machinery in its own plants. The teas being produced are of the very highest order and absolutely clean from contamination of hands and feet. The China Tea Co. is built on the solid foundations of the old Him Shim On tea hong in Museum Road, Shanghai, formerly the property of Tong Ah-wei, the oldest Chinese tea merchant alive to-day, who retired a short while ago after having been engaged in the tea business for sixty years. His eldest son, Suk Fan, is the manager of the newly established company, and associated with him are a number of well educated young men who, like himself, have made a special study of the tea business in foreign countries.

The China Tea Co. will specialize in the business of sending tea by mail direct to consumers, and the field for working up a business of this kind abroad, particularly in America, is very good indeed. Unfortunately, Americans are not such ardent tea drinkers as are the Russians and Britons, these two being the greatest customers for tea in the world; the Chinese and Japanese, of course, produce their own teas, and no statistics are available as to the amount consumed. But as every one drinks tea, and often, it is probable that both China and Japan consume more tea than they send abroad. In America the favorite beverage is coffee, and more's the pity. The effect on the nerves of coffee is on the whole deleterious.

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The Canned Goods Line in the Far East

The above is the title of a seventy-eight page pamphlet issued by the U. S. Department of Commerce. It is written by J. Alexis Shriver, one of the several special agents which the American Government employs to make reports on trade conditions in various parts of the world. The canned goods line is one which not only has been developed to a considerable extent in China and other Asiatic countries, but which also has before it a tremendous future. Both in China and in Japan the principal tinned article coming into the country is condensed milk, the well-known products of the Borden Company of America encountering heavy competition from the Anglo-Swiss and Bernese Alps concerns. This trade is necessarily in the

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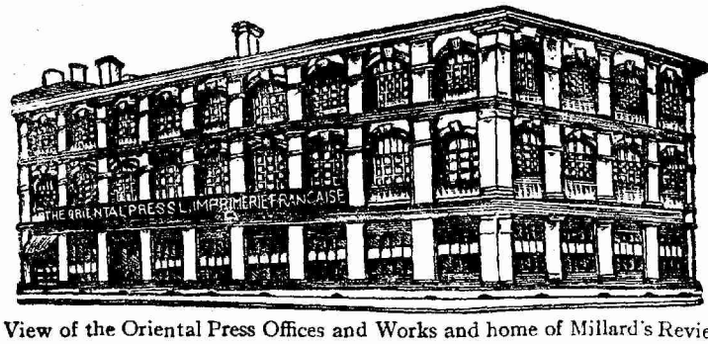

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hands of only a limited number of concerns. The great possibility for the development of an extensive business lies in the fruit trade. Already now quite considerable quantities of canned American fruits are coming into the country. In fact, the Chinese themselves have seen the possibilities of this canned fruit business and quite a large establishment is being operated in Shanghai, employing no less than eighty men. The factory in question also packs fish, beef and other meats, and when the canning business becomes dull the employees are set to biscuit making.

One of the most interesting facts mentioned in this pamphlet is that there is in existence on the island of Kamchatka a large salmon canning factory, the property of Denbigh & Co., an Anglo-Russian firm with headquarters in Vladivostock. The enterprise has been undertaken in a systematic manner and sufficient capital has been invested to start the plant with modern machinery and equipment and the size of the plant indicates a determination to enter the export market now held principally by the American product. The product put out by Denbigh & Co. is attractive in appearance and has apparently been satisfactory to those to whom it has been shipped, although in quality it is perhaps inferior to the American salmon. Of that exported to England much has been re-exported to Italy and other countries. Seeing the success of Denbigh & Co. and knowing that the quality of the Kamchatka salmon was greatly superior to that of the Japanese or Sakhalin fish, a number of Japanese canners from Hokkaido have also established small factories in Kamchatka, where they can find an abundance of red salmon, and these firms have been disposing of their pack through Japanese merchants to England and Australia. The size of these Japanese factories and probably their lack of proper equipment may be the explanation of the variation in quality of the Kamchatka salmon.

American Hardware in the Far East

Julean Arnold, the U. S. Commercial Attache at Peking, last year made a report to Washington on the possibilities of the development of the trade of American hardware in Far Eastern markets, and this has since been put into pamphlet form by the Bureau of Foreign and Domestic Commerce. Already considerable American hardware is coming into this market and, provided the article which is offered happens to suit the peculiar conditions in China, the prospects of working up an excellent trade in this line in China are very good indeed. What the American exporter must keep in mind, however, is that the Chinese can make many an article that will suit their purposes cheaper than it could be brought in from abroad; and, further, that many an up-to-date contrivance which has a great vogue in Western lands will not appeal to the Chinese at all as they have not, or at least do not feel that they have, any particular use for it. Generally speaking, the best market is for builders' hardware, such articles as screws, bolts, hinges, locks, etc., being very much in demand. Mr. Arnold explains that with the war shutting off all German supplies and with the irregularity of shipments making the English and French deliveries problematical (many cargoes failing to arrive) the Chinese dealers have been forced to seek sources of supply in the United States, and in some few cases have succeeded in obtaining direct shipments from America. Although most of the buying has been done through import houses with connections in America, the few direct shipments have sharpened the desire of the Chinese merchants for the cash and other discounts which they assert some import houses buying for them on indent orders have in the past kept for themselves. If one considered only this aspect of the matter, the opening of direct business relations between the larger Chinese importers and American manufacturers might seem more imminent than ever before. One dealer is reported to have undersold the import house in an important line by placing a sufficiently large order to get the top discount for quantity, trusting to this slight margin to enable him to sell the excess shipment at wholesale at the importer's own figure, and with the advantage of giving immediate delivery.

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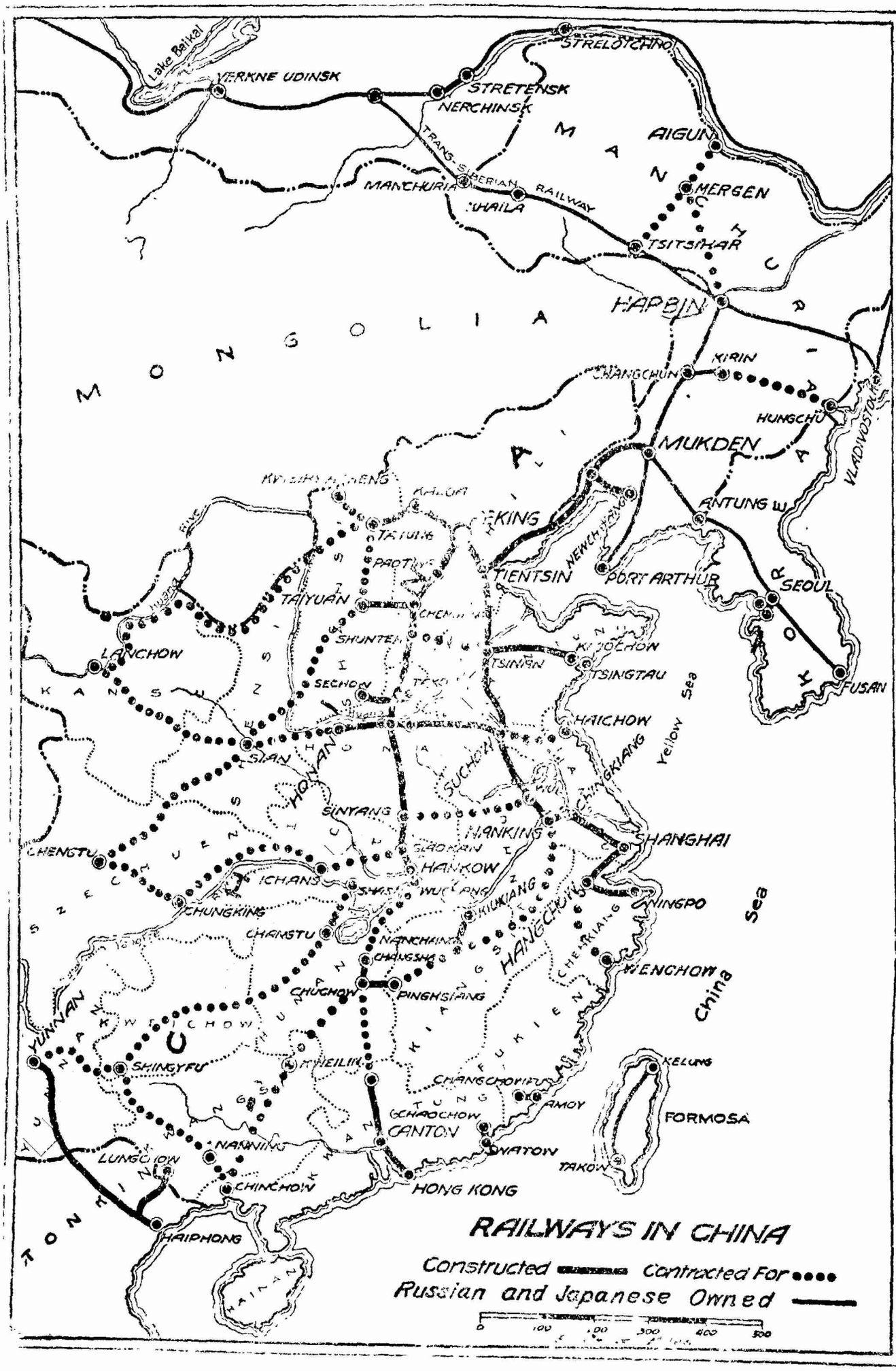
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CHANGCHOWFU
AMOY
KELUNG
FORMOSA
CANTON
SWATOW
TAKOW
NANNING
LUNGCHOW
CHINCHOW
HONG KONG
HAIPHONG
HAINAN
TONKIN
Yellow Sea
China Sea
RAILWAYS IN CHINA
Constructed
Contracted For
Russian and Japanese Owned
0 100 200 300 400 500

Railway Building in China

ONE of the best evidences that the greatest battles for railway concessions in China are still to be fought, was the telegram from Peking about a week ago stating that the Japanese Government had protested to the Peking authorities against the granting to a British syndicate of a concession to run a railway from Posiet Bay (south of Vladivostock) through Hung-chun (on the Korean border) to Kirin (the terminus of the Japanese branch from Changchun), the latter being the point where the Japanese lines touch the southern spur of the Russian-Siberian line. The Japanese Government made reference to a prior agreement which it claims covers this territory.

The subject of railway enterprises in China has a peculiar fascination for railway engineers. The problem in this country is somewhat different to that which has confronted the pioneer railway man in the development of America. There the railway blazed the trail through a sparsely inhabited country, relying for its future profits upon the development of the resources which would later inevitably follow through the introduction of settlers. In China, on the other hand, the population is already here, and a large business awaits the railway trains immediately they are put into operation, it being merely a question of inducing the owners of goods to have them carried by rail instead of by cart, wheel-barrow or junk.

Despite the almost ridiculous cheapness of labor in China as compared with the remuneration which workers in America are accustomed to receive, railways in China can always compete against any of the old-fashioned methods, except perhaps in those places where steam launches are in operation on the interior waterways. The railways also have a great advantage over the old-fashioned carrying methods in that they not only break down the rigors of the *likin* (inter-district transit tax) system, but also—and this is the most important—they prevent the tax collectors from overcharging in collecting the taxes. The Chinese railways are able to get suitable coal for propulsion purposes at cheap figures and the cost of operation is naturally very much lower than in Western lands as the total pay-roll of the large army of workers required for the operation of a railway calls for quite modest figures as compared with pay-rolls in America. The initial cost of rolling stock is, of course, higher than in America, but on the other hand the construction of the road-bed is accomplished much more cheaply.

An interesting detail of railway bridge building in China was to be noted about ten years ago when the line from Shanghai to Hangchow was laid down. The country through which the road runs is mostly a low-lying, sandy plain, traversed by numerous waterways, usually slow running and deep, ranging in width from twenty-five to two hundred yards. In bridging the majority of these streams the Chinese engineers resorted to what in Western lands would be considered a novel method. They figured it out (and correctly too, because of the cheap cost of labor) that it would be cheaper to dig a new temporary channel for the streams rather then to put down pontoons into the deep water. The result was that the bridge piers were built across a dry river-bed, the water again being turned into the old channel when the work had been completed.

The difference in the class of business which the railway in China deals with as compared with a newly established line in America (or in Canada) has an important bearing on the method to be followed in equipping the lines. The question in China is, Will it pay best to put down a heavy road-bed and well-built expensive rolling stock or will it be better to follow the method used, for instance, by the late J. J. Hill of simply throwing down rails, the cheapest that can be got, and leave improvements to be supplied when business warrants it. The experience in China is that it is by far the wisest policy to put down a substantial road-bed from the very start and to equip the line with the best of rolling stock. It has to be remembered that a greater part of the materials have to be imported, and the freight and handling cost forms a very large percentage of the purchasing price.

The railways in China are paying handsome profits.

Chinese Government Railways

Kaifengfu-Honanfu (Peinlo) Line

The Kaifengfu-Honanfu (Pienlo) Railway often called the Lunghai and Pienlo Line connects the main Shanghai-Nanking-Tientsin lines with the Peking-Hankow line. It is 115 miles long and was financed principally by Franco-Belgian capital.

This line joins the Peking-Hankow Railway at Chenchow and an extension to Hsuchowfu on the Shanghai-Nanking-Tientsin line is contemplated. The line is franchised and has a capital of Mex. $17,270,595 of which Mex. $17,182,006 is paid up. The franchise for its construction was granted to the Compagnie Generale des Chemins de fer et Tramways de Chine. 260 miles of extension to Sianfu was originally granted to two Chinese provincial companies. The first Section of 115 miles was redeemed by the Chinese Central Govenment in 1914.

The amount at credit for the cost of the railway was Mex. $16,527,779 and of this sum Mex. $16,300,117 has already been disbursed. Passenger receipts for the first five years working were: Mex. $273,489; $303,960; (No record); $482,097; $537,313. Freight receipts in 1911 and 1912 were Mex. $261,348; and Mex. $274,960, and in 1914 and 1915 Mex. $457,388; and $485,377 respectively.

The general working expenses in 1911 and 1912 were Mex. $465,179 and $524,741 and in 1914 and 1915 were Mex. $464,464 and $606,426 respectively.

Further information regarding the line may be obtained by addressing the

DIRECTOR GENERAL, LUNGHAI RAILWAY
Peking, China.

05-238

New U. S. Enemy Trading List

A new edition of the U. S. Enemy Trading List, revised to March 15, 1918, has been published by the War Trade Board, combining and bringing down to date all previously published lists, supplements, and announcements of persons and associations with whom it is illegal to trade. It covers for the first time the European countries and other countries for which no American list had previously been issued, earlier American lists having applied only to the countries of Latin America; China is not included, but as soon as the necessary inquiries have been concluded it doubtless will be. The list contains some 5,000 names.

Annual Meetings of Shanghai Companies

Moutrie & Co., Ltd., which has established a well deserved reputation for the excellence of their pianos, made particularly to suit China coast climatic conditions, held its annual meeting June 28. E. C. Pearce, the chairman, in his remarks to the assembled shareholders mentioned that more than three hundred pianos were turned out of their factory last year, all commanding a ready sale throughout the Far East. In addition to paying a dividend of 10% liberal reserves were apportioned to the reserve, exchange fluctuations, and stock reserve accounts.

The shareholders of the Lih Teh Oil Mill held their annual general meeting on July 3. A. W. Burkill, the chairman, in his remarks to the assembled shareholders said that the company was fortunate in having had a good quality of cotton seed to crush during the year and that the new machinery is working very satisfactorily, the layout of the plant tending to economical working and a bigger turnover. The total at the credit of the profit and loss account was Tls. 90,512.68, out of which a dividend of 15% was declared.

Commercial and Financial Notes

By the unfortunate omission of figures in last week's issue of the REVIEW it was stated that the contract for asphalt made with the Standard Oil Co. was for one hundred and fifty gallons. It should have read one hundred and fifty *thousand*.

According to a ruling of the War Trade Board, all imports into America of rubber substitutes such as gutta percha, joolatong, gutta siak, gutta and balats are to be closely restricted from June 1, 1918, to March 31, 1919.

According to a recent announcement of the Philippine National Bank, the citizens of the Philippine Islands have subscribed G. $4,625,000 to the American Liberty Loan. The subscription amounted to fifty per cent more than the quota allotted to the Islands.

The statement of accounts of the Shanghai Electric Company, Ltd., Tramways for the years 1917 in London show a profit of £67,504,5s.6d., was compared with £48, 123 os. 4d. for 1916. The most remarkable feature of the report was a proposal that the sum of £750 as additional remuneration be paid to the directors of the company in London. This feature is very much criticised here in Shanghai.

The U. S. Fuel Administration on May 24 fixed the following prices for gasoline, kerosene, and fuel oils which are to be charged by American oil producers to the Allies. Gasoline, *f.o.b.* Atlantic seaboard,

G.$0.23½ cents a gallon; fuel oil Atlantic Seaboard, G.$0.7½ cents; white refined kerosene, G.$0.08¾ cents a gallon. These prices are effective for sixty days from May 20.

Owing to the great number of men connected with the banking business in Canada who are now in the war, the Canadian Bankers' Association has found it necessary to change the daily office hours from 10 a.m. to 3 p.m. to 9:30 a.m. to 2:30 p.m. In addition to the foregoing order the association has issued a public notice asking people to "attend to their banking business early in the mornings."

A Peking despatch to the *Asahi* says that the leading banks in New York have established an Asiatic Banking Corporation with a capital of $20,000,000. The head office is to be established at New York, with branches at San Francisco and Shanghai to start with. Other branches will be established later at Hankow, Tientsin and Mukden. The object of the concern is to promote trade between China and the United States. The despatch adds that the Corporation will not oppose Japanese enterprises in China, but will cooperate with Japanese capitalists.

The arrival of the newly appointed Chinese Consul-General at San Francisco, C. H. Chu, was marked with a luncheon given in his honor by the China Commerce Club of California, the president of which is Captain Robert Dollar and the vice-president Louis Getz, both of whom are well known in Shanghai. Consul-General Chu, in the course of an address, stated that the invitation found him through Mr. Getz by wireless over thousands of miles of ocean travel. He had heard in China that the China Commerce Club welcomes visitors from China, and said he was most happy and proud to be commissioned by his Government to reside at San Francisco as Chinese Consul-General. "It is true China is struggling with great problems social, economic and political. And so are other peoples. We are allies with you for true democracy and the true welfare of all humanity. In China we are commencing an industrial era. We need foreign capital. We are eager to have more friends and advisors, especially from America. America has been and is the constant and trusted friend of China. The Chinese can have a vastly larger foreign commerce, and most of all in cooperation with American merchants. For example, you help us to improve the markets for our teas and silks and we can then, in teas and silks, surpass the world. Organized business ability will bring China forward as a great producer and manufacturer. An advancing and enriching China will be a still greater friend of America in world commerce. We can together bring success. Let the best men of our two great nations join hands and unite their efforts for the good of America and China."

At the Shanghai Hotels

The following guests have registered at the Astor House Hotel during the week: Mrs. F. A. Gee, Wuhu; Miss Langman, Hankow; D. F. Morrison, New York; Mrs. J. C. Ginder; N. Thayer, Manila; T. P. McAran; Miss E. S. Chang, Hongkong; H. M. Dewitt, Singapore; Mr. and Mrs. J. G. Hubback, London; Mr. and Mrs. R. H. Backrath, U. S. A.; Mr. and Mrs. Philbrick, Seattle; Miss B. Philbrick; R. B. Reitzed, Harbin; G. W. Doyles; Miss Foster; H. P. King; A. Dahlzren, Yokohama; Mr. and Mrs. W. T. Swingle, Washington; F. A. Churchill, Manila; H. H. Bayle, Manila; Miss R. Kent, Hankow; Miss C. A. Couch, Hankow; Mr. and Mrs. W. E. Erving, Chicago; Nood, Scotland; H. Van Eilthenment, San Francisco; Miss A. I. Griffin, Hangchow; G. P. Wolfron, San Francisco; R. S. Anderson; N. P. Rathvan, Peking; L. D. Wilgress, Vancouver; J. C. Guilder, Manila; J. M. Pavitt, Manila; Miss F. Turner, New York; F. F. Gill, New York; W. A. Pakarny, New

Chinese Government Railways

Peking-Hankow Line

"The Road Through the Heart of China"

—:o:—

THE Peking-Hankow Line, the most important section of China's overland route, enables tourists and travellers to get a glimpse of Old China, the train passing through magnificent scenery, traversing the great plains of Chihli, the central portion of Honan and the mountainous region of the eastern Hupeh province.

THE Peking-Hankow route joins at Fengtai the main line of the Peking-Mukden Railway, by means of which this line is connected with the railways in Manchuria, Korea, Japan and Siberia, while steamer facilities at Hankow bring it into easy communications with the Yangtze River ports and Shanghai.

FROM the Capital to Hankow the journey occupies 34 hours, by the daily through train which is provided with up-to-date sleeping and dining accommodations.

CHI KUNG SHAN Mountain (Summer Resort), not many Summer Resorts in China inland can bear comparison with the natural charming views that reward those who ascend the mountain of Chi Kung Shan whose summit stands at an altitude of 1980 ft. On reaching Sintien station, situated 110 m. from Hankow, a serpentine road climbs the mountain, on top of which are hundreds of beautiful bungalows awaiting vacationists. This popular resort is celebrated for its scenery, where an almost unbroken communion with nature can be enjoyed for a week at a time.

HSI LING or WESTERN TOMBS.—With their present-day accessibility, there is now little excuse for visitors to Peking omitting a trip to the Western Tombs, undoubtedly one of the most impressive sights in China. The site of these beautifully adorned Imperial Tombs is close to Liang Ko Chwang station, 79 m. from Peking, which is reached by a Branch-line formerly built for the exclusive use of the Imperial Sovereigns when visiting the Tombs of their ancestors. The Western Tombs include the mausoleums of four Manchu Emperors and three Empresses, as well as those of a number of rincesses. The region is justly appreciated for the charming scenery surrounding the Imperial Tombs and is highly recommended to any one in search of the extraordinary and beautiful.

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Grand Hotel Kalee

Cable address, Kalee, Shanghai,

The only American Hotel in China.

130 Rooms, modern equipment throughout.

French Cuisine under supervision of a foreign chef.

Commodious lounge, reception rooms, etc.

WHEN IN SHANGHAI STOP AT THE GRAND HOTEL KALEE.

Peking Union Medical College

Premedical School

Announcements for the Academic Year 1918-19.

CURRICULUM: The Premedical School offers a three year course in the fundamental subjects which are pre-requisite to the study of medicine. The curriculum includes courses in mathematics, physics, chemistry, biology, English, Chinese and German. The work in the second and third years is of the grade required in the first two years of the best American Universities. Students who complete the work of the Premedical School satisfactorily will be admitted to the first year of the Medical School without examination.

MEDIUM OF INSTRUCTION: All courses except those in Chinese language and literature are conducted in English.

ENTRANCE REQUIREMENTS: Admission to the Premedical School is by examination. To be eligible for the entrance examinations, a candidate must be a graduate of an approved Middle School, and must possess a good working knowledge of English, both oral and written.

ADVANCED STANDING: Admission with advanced standing will be granted to candidates who present suitable credentials showing the completion of one or more years of work of collegiate grade and who pass satisfactory examinations in the subjects for which credit is desired.

EXAMINATIONS: Examinations for entrance and for advanced standing will be held at Peking, Shanghai and Canton, June 18 to 22, and August 27 to 31, 1918.

CALENDAR: The first semester opens Tuesday, September 17, 1918, and closes January 31, 1919. The second semester opens February 11, 1919, and closes June 20, 1919.

The work of the Medical School will open in September 1919.

Applications for admission to the entrance examinations and requests for further information should be addressed to

The Dean of the Premedical School,

Peking Union Medical College, Peking, China.

York; Paul Jernigan; Lt. A. Blane, Hankow; G. H. Dignan, Shanghai; D. S. McEven; E. McCable; E. Eliassen, U. S. A.; K. Fog, Denmark; Miss E. M. Smith, Chicago; J. Landert, Yokohama; Mr. and Mrs. P. Linton, Manila; E. Yawlate, Chefoo; N. Cayron, Hankow; H. J. Love, Kaoching; Y. H. Newsome; P. Patrick, Peking; E. W. Frazar, Tokio; J. N. Strong, Peking; F. H. Weber, Hangchow; Capt. O. C. Blown; H. Maxwell, Kobe; Mr. and Mrs. R. H. Kirk, New York; F. N. Forum, Tientsin; F. A. Elmer, Kobe; Moritaka, Tokio; C. Georgeson, Yokohama; Miss K. Bruce, New York; Mr. and Mrs. Davenport, Calcutta; Miss Wood, Calcutta; Dr. and Mrs. H. M. Harrison, England; W. Ponjol, England; H. A. Maynard; Prof. and Mrs. A. V. Williams, New York; F. Fredwell Smith, Boston; Mr. and Mrs. Chadwick, Changsha; Mr. and Cadell, Japan; E. C. Partrige, Ohio; Dr. E. W. McDowell; J. W. Cook; L. R. Robinson, New York; P. J. Engstrom, Tungchow; J. C. Riddick; R. J. Tobin, Yokohama; Mr. and Mrs. F. J. Whiteley, U. S. A.; M. S. J. Walsh, Hsuchowfu; E. Fos, Nanking; E. D. Pearson.

The following guests have registered at the Grand Hotel Kalee during the week: R. Solare, France; Ch. E. Cripet, France; Dr. Ferguson, U. S. A.; Miss L. Willonghby, U. S. A.; Miss G. L. Gemmel, U. S. A.; Mrs. Saint Pol and son, Hankow; Miss Saint Pol, Hankow; Robert E. Laker, Hankow; R. J. Elleder, Hongkong; Mr. and Mrs. Wargbrett, Peking; Ame Gran, Tsingtau; S. Berg, Nagasaki; Mrs. Tanner, Nanking; A. E. Savesen, Amoy; F. Hohnke, Manila; F. A. Cook, Manila; Geo. M. Smith; Miss E. Armour; Miss A. Ganhman; Miss S. Mesny; W. Boehinetkoff, Harbin; J. Kourin, Harbin; D. Agopoff, Harbin; F. Echo, Harbin; Miss M. Krasting; V. Kargalskoff, Vladivostock; P. Begil, Nanking; F. H. Kecker, Nanking; Mr. and Mrs C. P. Vetter, Copenhagen; W. E. Schroeder, Copenhagen; G. Auston, Nanking; Wong Kwong, Hankow.

The following guests have registered at the Palace Hotel during the week: Li King Hoh, Peking; J. W. O. Love, Tientsin; J. L. O' Leary, San Francisco; L. C. Jones; Miss Lewis, Tsingtao; J. Orgert; T. E. Crombie, San Francisco; L. B. Mentroy, Peking; Mr. and Mrs. Linton and child, Manila; C. J. Gumi; Mr. and Mrs. C. B. Harner, Hankow; H. G. Cumon; T. C. White, Peking; R. S. Pitt, Ningpo.

America's Asiatic Possessions

The Philippines, (2 vols.) by Charles Burke Elliott, PH. D., LL.D. Indianapolis, Ind: The Bobbs-Merril Company.

COLONIZATION is as old as history. In some form or other colonization was practised by all primitive peoples. The first colonizing people known to history were the Phoenicians. They founded colonies not with any political motives but with pure commercial or religious motives. They had to yield to the superior civilization of Greece, who colonized on quite a different basis. Then came the Romans with their fresh theories, founding colonies on an extensive principle.

Spain rose to be a great colonization force in the fifteenth and the sixteenth centuries. She swept away the ancient civilizations of Mexico and Peru, killing the natives in battles or reducing them to slavery and forced labor for their masters. The governments of different colonies were administered entirely by Spaniards and no regard was paid to the rights of the native people. Sometimes good and benevolent laws were erected for the protection of the natives but they were never applied. Christianity was forced on the natives and the Church was all powerful.

Early in the seventeenth century the Dutch penetrated into Java and established a commercial monopoly in the Islands and "unhesitatingly sacrificed one of the most beautiful and fertile regions of the earth to their low ideals." But the sighs of the oppressed natives shook the throne of Holland and in 1903 a law was created which has made the Dutch administration in her dependencies worthy of the modern age.

The ideals of colonization underwent a distinct evolutionary change when Edmund Burke impeached Warren Hastings for his bad administration in India. This famous trial marked an era in which Europe

Shanghai-Nanking Railway Abridged Time Table.

Shanghai North to Nanking—Up (Main Line) Nanking to Shanghai North—Down

STATIONS	Local	Express R.	Fast R.	3rd & 4th	Fast R.	Local	Fast Local	Night Express R. S.
Shanghai North.. dep.	..	7 55	9.10	9.40	12.45	15.25	17.15	23.00
Soochow.... .... dep.	..	9.41	11.22	12.20	14.55	18.15	19.20	1.08
Wusih .... dep.		10.31	12.24	13.41	15.54	19.27	20.20	2.10
Changchow ..... dep.	6 50	11.22	13.16	15.03	16.48	.	21.25	3.10
Tanyang .. .... dep.	8.05	12.09	13.11	16.16	17.41	..	..	..
Chinkiang .. dep.	9 16	12.52	14.55	17.17	18.22	..	..	5.06
Nanking.. ..... arr.	11.19	*14.15	16.30	19.20	19.50	..	..	6.50
Pukow ... . dep.	.	15.30	T P R	.	.	..	..	..
Tsinanfu.. .... dep.	..	8.18	Second Day	.	..	..	..	..
Tientsin Central . arr.	.	16 29		.	..	..	..	..
Do. dep.	..	16.55	P.M.R	..	..	..	..	..
Peking.... ..... arr.	..	19.50		.	..	.	.	..

STATIONS	Local	Fast Local	Fast R.	3rd & 4th	Fast R.	Express R.	Local	Night Express R.S.
Peking..... .... dep.	.	..	..	..	..	8.35	P.M.R	..
Tientsin Central arr.	.	..	.	..	..	11.40		..
Do. dep.	..	..	.	..	..	12.00	T P.R.	..
Tsinanfu. . ... dep.	..		.	..	.	20.27	Second Day	..
Pukow..... ... arr.	..		..	..	..	12.56		..
Nanking ..... dep.	..		7.20	8.00	11.45	*14.20	15.35	23.00
Chinkiang ..... dep.	..	.	9.00	10.10	13.30	16.06	18.16	1.00
Tanyang ..... dep.	..		9.36	10.59	14.12	16.41	19 08	..
Changchow .... dep.	7.00	.	10.34	12.18	15.08	17.39	20.20	3.06
Wusih .. .. dep.	8.15	7.10	11.28	13 36	16.00	18.29	..	4.11
Soochow . .... dep.	9.35	8.08	12 23	14.57	17.01	19.21	..	5.12
Shanghai North arr.	12 15	10 15	14 20	17 50	19.00	21.00	..	7.00

R. Restaurant Cars. * Connects at Pukow with the through Siberian Service. S. Sleeping Cars.

Woosung Forts to Shanghai North—Up (Branch Line) Shanghai North to Woosung Forts—Down

Woosung Forts .... dep.	6.50	8.10	10.50	13 15	14.40	16.20	18.10	20.45
Klangwan . ... . dep.	7.17	8 37	11.17	13.42	15.07	16.47	18.37	21.12
Shanghai North .... arr.	7.25	8.45	11.26	13.50	15.15	16.55	18.45	21.20

Shanghai North .. dep.	6.10	7.30	10.05	12.25	14 00	15.30	17.30	20.00
Klangwan ..... dep.	6.21	7.41	10.16	12.36	14.11	15.41	17.41	20.11
Woosung Forts .. arr.	6.45	8 05	10.40	13.00	14.35	16.05	18.05	20.35

Shanghai-Hangchow-Ningpo Railway Abridged Time Table.

Shanghai North to Zahkou—Down (Main Line) Zahkou to Shanghai North—Up

STATIONS	Local	Fast R.	Slow	Coolie and Goods	Local	Express R.	Local	Local
Shanghai North..... d.	..	7.35	9.00	10.00	..	14 50	15.50	..
Jessfield .. .. d.	..	7.51	9.16	10.23	...	15.06	16.06	..
Sicawei ..... d.	..	7.58	9.23	10.38	.	15.13	16.13	..
Lunghwa Junction ... d.	..	8.15	9 40	10.53	..	15 30	16.29	.
Shanghai South .... d.	..	*7.45*	*9.10*	*10.20*	*13.35*	*15.00*	*16 00*	*17 55*
Lunghwa Junction ... .. d.	..	*8.15*	*9.40*	*10.53*	*14 52*	*15.30*	*16 29*	*18.12*
Sungkiang ... . d.	..	8.59	10.48	12.02	..	16.07	17 42	..
Kashai .. .. d.		9.51	11.52	13.28	..	16 53	18.49	.
Kashing.... . ... d.	7.40	10.25	12 30	14 35	.	17.22	19.20	.
Yehzah .... d.	8.45	11.05	13 15	15.50	.	17 53		.
Changan . ... d.	9.45	11.41	14 00	16 50	..	18.24	..	.
Hangchow . . . . d.	11.10	12.50	15 25	18.30	.	19.19	..	.
Zahkou .. . . a.	11 35	13 10	16.50	19 00		19 35	....	.

STATIONS	Local	Local	Fast R.	Slow	Local	Coolie and Goods	Express R.	Local
Zahkou ..... d.	..	..	6.30	7.55	..	9.20	14.10	15.30
Hangchow..... d.	..	..	7.00	8.30	..	10.00	14.35	16 05
Changan ..... d.	..	..	8.04	9.48	..	11 40	15 20	17.36
Yehzah ..... d.	..	.	8.41	10.31	..	12.39	15.51	18.40
Kashing..... d.	..	7.15	9.28	11.22	..	14.10	16.30	19.30
Kashai ... ... d.	..	7.48	9.53	11.55	..	14 48	16 52	..
Sungkiang .. .. d.	..	9 05	10.47	12.59	..	16.08	17 46	..
Lunghwa Junction..... d	*8.18*	*10.33*	*11.88*	*14 08*	*16 38*	*17.23*	*18 %*	..
Shanghai South... ..... d.	*8 35*	*10 50*	*11 55*	*14.25*	*15.50*	*17.40*	*18.40*	..
Lunghwa Junction ... d.		10.30	11.35	14.05	..	17.18	18.20	..
Sicawei . ... d.	..	10.39	11.44	14.14	..	17.28	18.29	..
Jessfield .. .. d	.	10 46	11.51	14.21	..	17.37	18.36	..
Shanghai North .. .. a.		11 00	12.05	14.35	.	17.55	18.50	..

Konzenchiao to Zahkou (Kiangshoo Branch Line) Zahkou to Konzenchiao

Konzenchiao . dep.	6.50	8.25	11 25	14 00	15 55	18 35
Kenshangmun . dep.	7 10	8.50	11.40	14 15	16.15	18 50
Hangchow . dep	7 20	9 15	11.52	14 24	16.30	19 00
Zahkou . . ... arr.		9 40	12.10		16.55	

Zahkou .. . dep	.	10 10	12.25	.	17 20	.
Hangchow ... ... dep.	7.30	10.40	12 45	14 55	17.50	19.15
Kenshangmun . dep	7 42	10.57	12.57	15.12	18.07	19 27
Konzenchiao .. arr	7 55	11 10	13 10	15.25	18.20	19.40

R. Restaurant Car

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The next time you hear anyone say that just look at the paper.

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28 Nanking Road

decided "to adopt a systematic policy for controlling and developing the native population and their possessions."

Queen Victoria's proclamation in 1858 to the princes and people of India was the first and the noblest utterance ever pronounced by a sovereign to the people of a dependency.

The Philippines were under the Spanish rule when the war with America broke out on account of the Cuba question. The country was making strenuous efforts to overthrow the Spanish domination and her patriots were working hard all over the world. Rizal, the greatest scholar, reformer and leader of the Filipinos, was treacherously shot. General Aguinaldo was preparing for another revolution. It was at this critical time that the Philippines came under the possession of the United States.

The difficulties surmounted by the United States soon after the assumption of the control of the Philippines were many and of a taxing nature but her statesmen handled the problems with tact and frankness, with the result that the Filipino revolutionaries, being convinced of the honesty of purpose of the United States, lent their full support to the new *regime*.

Reforms on a wide scale were at once instituted and the Filipino was taken into full confidence, having been given to understand that the object of the United States was to give peace, order and justice to the country and prepare the nation, *en masse*, to manage their own affairs. The United States has scrupulously maintained her promise given to the country at the time of its occupation, "Philippines for the Filipino," and to-day the country is "immediately under the control" of the Filipino, whom the United States has helped to develop a consciousness of race unity, a sense of nationality and capacity for self-government.

This story has been told in detail in the book under review in two big volumes, one of which is devoted to the period from the time of the occupation of Manila to the end of the Military Regime, and the other to the end of the Commission Government. It is a serious study of democracy in the Far East and deserves to be widely read by all interested in colonization questions. In the Orient the book is of special value to the Japanese, whose colonial policy is still that of the sixteenth and seventeenth centuries.

The book contains fine illustrations, is handsomely bound and printed on superior paper from good type.

H. P. SHASTRI.

How Money is Made in Security Investment, by Henry Hall. Published by the Author from 52 Broadway, New York: U. S. $2.50.

To buy when stocks are low, sell when they are high, is excellent advice; to carry the advice into successful practice demands a knowledge of many factors too frequently ignored. These factors are very thoroughly discussed by the author of the work in hand, including the fundamentals of money, earnings, crops and business, domestic and foreign trade, tariff laws, competition and gold production. The lessons of financial history are emphasized and made to serve present ends; much valuable statistical information is conveyed by tables, diagrams and charts, and the general aim is toward safe investment that is also good speculation. The theory of economic cycles is expounded, and on the whole the book offers to the young man, or to the business man too absorbed in some specialty to devote any considerable portion of his time to the investment market, a compilation of sound principles and concrete suggestions that, with a fair amount of good judgment on his part, will enable him to avoid costly mistakes and cultivate that foresight without which it is most foolish to exact even a moderate success in any untried field.

In the United States Court for China

Recent Filings:

June 27, 1918; Cause No. 657; John Layton Company vs. Carl Blomberg; plaintiff's motion for a new trial.

" 27, " Cause No. 663; In re Estate of Paul McRae, deceased; petition;

June 28, 1918; Cause No. 664; In re Estate of Murray S. Frame, deceased; petition; order directing issuance of Letters of Adminisration.

" 28, " Cause No. 663; In re Estate of Paul McRae, deceased; deposition.

IN THE UNITED STATES COURT FOR CHINA

In re Estate of GEORGE A. DERBY, Deceased. | Cause No. 609 Estate No. 225

NOTICE TO CREDITORS.

Notice is hereby given to all parties interested that the undersigned has been appointed Administratrix of the above named decedent's estate; that all persons having claims against the said estate are required to present the same for payment, with vouchers, to the undersigned on or before January 6, 1919, and all persons owing the said deceased are required to make payment to the undersigned.

JOHN RESIDE HYKES,
Administrator,
73 Szechuen Road,
Shanghai, China.

July 6, 1918.

IN THE UNITED STATES COURT FOR CHINA

In re Estate of PAUL McRAE, Deceased | Cause No. 663, Estate No. 252

NOTICE TO CREDITORS.

Notice is hereby given to all parties interested that the undersigned has been appointed Administrator of the above named decedent's estate in China; that all persons having claims against the said estate are required to present the same for payment, with vouchers, to the undersigned on or before December 28, 1918, and all persons owing the said deceased are required to make payment to the undersigned.

EDWARD H. MURRAY,
Administrator,
No. 11. Whangpoo Road,
Shanghai, China.

June 29, 1918.

„ 28, „ Cause No. 530; In re Estate of Laura Brown, deceased; petition of administrator to distribute funds.

„ 28, „ Cause No. 665; In re Guardianship of Rosamond Frame, minor; petition for appointment of guardian.

„ 29, „ Cause No. 530; In re Estate of Laura Brown, deceased; order authorizing administrator to distribute funds.

„ 29, „ Cause No. 665; In re Guardianship of Rosamond Frame, minor; order directing issuance of Letters of Guardianship.

„ 29, „ In re Admission to Bar of Norwood F. Allman; petition.

July 1, „ Cause No. 663; In re Estate of Paul McRae, deceased; oath of administrator; bond; Letters of Administration.

„ 2, „ Cause No. 587; In re Mary Lattimore's Will; first annual report of executor.

„ 3, „ Cause No. 627; In re Estate of Emma B. Thompson, deceased; affidavit of publication of notice to creditors.

„ 3, „ Cause No. 513; In re Guardianship of Bassity minors; acknowledgment and undertaking.

Recent Hearings:

June 28, 1918; Cause No. 652; J. Spunt & Co. v. American Machinery & Export Co. Inc.; trial; argument; case submitted.

„ 28, „ Cause No. 664; In re Estate of Murray S. Frame, deceased; on petition.

„ 28, „ Cause No. 530; In re Estate of Laura Brown, deceased; on petition.

„ 28, „ Cause No. 665; In re Guardianship of Rosamond Frame, minor; on petition.

„ 29, „ In re Admission to Bar of Norwood F. Allman; on petition.

Judgments and Orders:

June 29, 1918; Cause No. 664; In re Estate of Murray S. Frame, deceased; order directing issuance of Letters of Administration.

„ 29, „ Cause No. 530; In re Estate of Laura Brown, deceased; order authorizing distribution of funds.

„ 29, „ Cause No. 665; In re Guardianship of Rosamond Frame, minor; order directing issuance of Letters of Guardianship.

„ 29, „ Order appointing Bar Examining Committee at Tientsin.

„ 29, „ Order designating Deputy Clerk of the Court for District of Tientsin.

JOHN LAYTON COMPANY (A CORPORATION), COMPLAINANT vs. CARL BLOMBERG, RESPONDENT

(*Filed at Hankow, China, June 22, 1918.*)

SYLLABUS.

1. **Injunctions:** *Contempt: Evidence* equivalent to that required for conviction of crime is necessary in order to establish the violation of an injunction.

2. **Contracts:** *Restraint of Trade: Tests:* Limits of time and area are no longer the controlling tests of validity for contracts in restraint of trade; the test of reasonableness, as regards the business in question, applied.

3.—: *Divisibility.* A prohibition of entering at any time, anywhere in China, other similar employment in a business of which the employer has but one plant, is indivisible and unreasonable but a prohibition of divulging trade secrets is separable from the above and enforceable.

Messrs. Jernigan, Fessenden & Rose, Geoffrey H. Wright, H. G. C. Bailey, and R. T. Bryan, Jr., for complainant.

Ralph A. Frost, Esquire, and Messrs. Fleming & Davies, for respondent.

LOBINGIER, J.:

A temporary injunction was granted in this cause on June 6,

> "Restraining the respondent from continuing in the employ of any one in Hankow other than complainant and the International Export Company whose business is in any way connected with eggs or poultry."

From the limited examination of the law which we were then able to make we were of the opinion that complainant's averment of "irreparable damage" from a breach of the contract there set out, justified an order preserving the *status quo ante* during the brief period which must elapse before the cause could be heard upon its merits. Such a hearing has now taken place and both parties have presented their evidence. Previous to the trial, however, complainant offered certain affidavits in support of a claim, made orally in open court, that respondent had violated the terms of the injunction. But as no formal motion for an order to show cause was presented, said claim was heard in connection with the trial and both parties were given opportunity to present evidence thereon.

Aside from the affidavits which are mainly to the effect that respondent was seen upon the premises of his employer after the service of the order of injunction (which did not prohibit him therefrom), a Chinese mason named Wong Her Gee testified that on the night of June 10, two days after the service of the order, the respondent gave directions to the witness and others regarding the placing of two layers of brick on the premises of respondent's employer. On cross-examination he admitted that a certain clerk told him that respondent had given orders to work at night. A Chinese coolie also testified to orders by respondent but on cross-examination admitted that he did not hear them given. On the other hand, respondent states positively that he did nothing in the way of "working, giving orders or constructing" after the service of the order, and we must find the evidence of violation insufficient under a well known rule which has been thus stated in a work [1] of authority:

> "The proceedings in contempt being in their nature criminal in character the strict rule of construction applicable to a criminal prosecution obtains therein, and presumptions and intendments will not be indulged to sustain a conviction. The guilt must be established by clear and satisfactory evidence; a mere preponderance is not enough. The accusations must be supported by evidence sufficient to convince the mind of the trior beyond a reasonable doubt of the actual guilt of the accused."

II

Coming now to the merits of the case we find the answer, which admits the execution of the contract, challenging the validity of that clause, quoted in the former opinion, by which respondent,

> "Agrees that he will at no time without the written consent of said employer either in his own behalf or in behalf of any person or company other than said employer or said International Export Company, enter into any business in China in any way connected with or pertaining to eggs or poultry or any other kind of business transacted by or in behalf of the International Export Company."

In granting the temporary injunction we had occasion to observe,

> "It is no longer the rule either in England or America that a contract by which one party agrees not to engage in a certain business *for a limited time* within even an extensive area is void."

Neither the able and exhaustive argument of counsel in this case nor our own subsequent researches have given us any reason for qualifying that statement of the law; but have brought to light other authorities which must control the final disposition of the cause. For the prohibition above quoted from the contract is not, it will be seen, "for a limited time." On the contrary the respondent agreed that he would "*at no time* * * * enter into any business *in China*" etc. Agreements unlimited in time but limited in area have been upheld but the area has usually been small—rarely larger than a county.[2] Where the covenant extends two hundred miles or more it has frequently been held void.[3] The authority[4] chiefly relied upon by complainant and cited in the former opinion upheld a contract unlimited in area but limited in time to twenty-five years. We have been cited to no case where a contract unlimited in time and covering an area as extensive as this was upheld.

On the other hand, H. B. M. Supreme Court in China [5] refused an injunction to enforce as to other ports than Shanghai an agreement by an employee not to enter for ten years into the service of any other person in Shanghai or any other place where the employer might have a branch business; so that if complainant were seeking relief in a court of its own nationality it would apparently be denied.

However, it seems now to be well recognized that the former tests by limits have lost their importance. As was said in a case[6] in which this Court declined to uphold a clause forbidding a retiring member of the pilots' association to pursue his calling for a period of two years, it is neither the duration of the contract nor the area over which it is meant to extend which constitutes the determining factor as regards its validity; they are merely elements in the general consideration of its reasonableness.[7]

An English work of authority[8] summarizes the result of the "all important decision"[9] by the House of Lords above cited, as follows:

> "(1) The old rule distinguishing between general and particular restraints has ceased to afford the practical test, which is now in all cases the reasonableness of the covenant in the interests of the covenantee.
>
> * * * * *
>
> "(2) In weighing the reasonableness of the restraint regard must be had to the following considerations:
>
> "(a) The generality of the covenant, whether as to time or space, may render it unreasonable. A covenant is not necessarily valid because restricted as to time, but may be void because it is not so restricted.
>
> "(b). Different degrees of protection are reasonable in different cases, e.g., in the sale of a trade secret, sale of goodwill, or dissolution of partnership and contracts of service respectively. A trade secret needs absolute protection, and there is greater freedom of negotiation in the case of the sale of goodwill than in cases of apprenticeship.

1. 9 Cyc. 45.
2. 9 Cyc. 527–529.
3. Id. 533.
4. Nordenfelt v. Maxim etc. Co. Ltd, 1894 A. C. 535.
5. Hall & Holz, Ltd. v. Tozer, North China Herald, July 1906.
6. Woosung-Hankow Pilots' Association v. Butland, No. 104, May 3, 1912, North China Herald April-June 1912, 429, 436.
7. Citing Anson on Contracts, 230.
8. Matthews & Adler, Covenants in Restraint of Trade (2d Ed. 1907) 63.
9. Nordenfelt v. Maxim etc. Co. Ltd., 1894 A. C. 535.

"(c) The reasonableness of the restriction must be judged by the character and nature of the business or of its customers."

One of the authorities[10] presented by complainant's counsel contains the following discussion on this point:

"No better test can be applied to the question whether a particular contract is reasonable than by considering whether the restraint is such only as to afford a fair protection to the interests of the party in favor of whom it is given, and not so large as to interfere with the interests of the public. Whatever restraint is larger than the necessary protection of the party can be of no benefit to either; it can be only oppressive, and if oppressive it is, in the eye of the law, unreasonable.[11]

* * * * *

"The covenant is inserted only to protect one of the parties from the injury which, in the execution of the contract or enjoyment of its fruits, he may suffer from the unrestrained competition of the other. The main purpose of the contract suggests the measure of protection needed, and furnishes a sufficiently uniform standard by which the validity of such restraints may be judicially determined. In such a case, if the restraint exceeds the necessity presented by the main purpose of the contract, it is void for two reasons: first, because it oppresses the covenantor, without any corresponding benefit to the covenantee; and, second, because it tends to a monopoly. It may be added that even though there is an apparent main lawful purpose, yet if the obvious purpose and necessary result of the contract are to establish a monopoly, the contract is void.

* * * * *

"The validity of the contract should be determined not by what has been done under it, but by what may be done under it; by what will be its real tendency with reference to trade and monopoly when in full operation."

Applying to this case the foregoing tests we may now inquire what feature of complainant's business needs the protection of the clause prohibiting respondent from entering into similar business anywhere in China at any time? The evidence discloses that complainant has but one plant in China and that at Hankow. In the case[13] already cited from H. B. M. Supreme Court in China, the agreement not to enter for a period of ten years into the service of any other person in Shanghai where the employer might have a branch business, was held unreasonable as to all except Shanghai, in the absence of proof that branches had been opened elsewhere. "The character and nature of the business or of its customers" is an important test. Complainant's customers are apparently not found in China at all for its business appears to consist in manufacturing its product and shipping it to outside countries. No evidence has been produced which would justify us in finding that complainant would suffer any loss of custom whatever thru the mere fact of respondent's employment by a concern engaged in similar business in Shanghai or Tientsin. Indeed if we are to accept the estimate given by complainant's local manager as to the quality of respondent's services, the result would be quite the contrary.

On the other hand, the literal enforcement of the clause renders respondent wholly useless for the balance of his life to the development in China of an important industry. This, as recited in the works above quoted, is not only oppressive to him but tends to prejudice the public. It is suggested indeed that the commercial area of China is after all quite limited, but it appears that this particular business is really conducted in distant parts of China. Moreover, to repeat a portion of the language above quoted, we must consider "what may be done" and it requires little stretch of the imagination to conceive that industries of this class may in time become not only extensive but very numerous in a country of such vast extent as China.

Finally, respondent's employment is in the nature of what one of the authorities above calls an "apprenticeship" regarding which it is said there is not the same freedom of negotiation as in the sale of goodwill. In other words, if respondent had here been conducting a rival business which he had sold upon a sufficient consideration to complainant with an incidental agreement not to engage again in the same business in China, there would have been more reason for its literal enforcement. But here respondent sold nothing. He merely engaged at the very moderate salary of $200.00 a month to serve complainant under what purports to be an arrangement terminable at complainant's will.

On the whole, therefore, we are unable to find that the clause here invoked meets the tests of reasonableness imposed by these authorities, and after reviewing them we are forced to the conclusion that said clause "exceeds the necessity presented by the main purpose of the contract."

III.

In granting the temporary injunction we referred to the rule that where "the contract is divisible it may be enforced locally even tho the provisions as to a larger area are not upheld." This doctrine is well recognized in England[13] and it was thereunder that in the case above cited H. B. M. Supreme Court in China was able to segregate the prohibition regarding Shanghai from that relating to any other place where complainants might have a branch business. In the decision[14] on this point cited in our former opinion and now invoked by counsel for complainant, the Supreme Court, applying the same doctrine, upheld that portion of the contract in judgment which related to one state tho in fact another state was included. Hence if the contract before us had prohibited respondent from entering into other employment *in Hankow or elsewhere* it might have been upheld as to Hankow, and it was in contemplation of such a possibility that the temporary injunction, limited to Hankow alone, was granted. But a study of the contract in the light of other authorities on this point convinces us that the prohibition as to place of employment is not divisible. Thus, in a leading case[15] where a tailor's employee engaged not to carry on "any business whatsoever within the distance of one mile of" the employer's establishment for a period of two years, the court said in denying an injunction:

"If the plaintiff's argument be good, then in every such case the Court could carve out of the unreasonable distance a distance which would be reasonable. Thus if the covenant were, e.g., not to carry on a business in any part of the whole world, the Court would be asked to uphold it by construing it as a covenant not to carry on the business within, say, a limit of 2 miles, which would in effect be making a new covenant, not that to which the parties agreed."

The same course was taken where the employee had agreed "that he would not be in any way connected with any other business within three miles," Byrne, J., holding that the phrase "any other business" was not divisible.[16]

10. Ruling Case Law, VI, secs. 194 et. seq.

11. Citing Harrison v. Glucose Sugar Refining Co., 116 Fed. 304, 58 L. R. A. 915, and other cases.

12. Hall & Holz, Ltd. v. Tozer (July 5, 1906) North China Herald, July 1906.

13. Matthews & Adler, Covenants in Restraint of Trade (2d Ed. 1907) Ch. IV.

14. Citing Oregon Steam Navigation Co. v. Winsor, 20 Wall. (U. S.) 64, 22 Law. Ed. 315.

15. Baker v. Hedgecock, 39 Ch. Div. 520 (1888.)

16. Woods v. Thornburn, 103 L. T. J. 421.

In still another case[17] where the employee, also a tailor,

> "bound himself not to enter into any business arrangement in competition with or that would in any way interfere with the business carried on by the plaintiff at his establishments in *Weybridge* or the city of *London*, or at any of his addresses of the future,"

Lord Alverstone in giving judgment:

> "said that the Court could not break up covenants of this sort, unless after severance an enforceable contract remained; and here the words 'will not enter into any business arrangement in competition with the plaintiff' were too wide both as to time and as to space, and too vague. There was no residuum not open to objection that the Court could enforce."

So where the clause read "30 miles from either the Town Hall at *Bournemouth* or the Bargate at *Southampton*" it was held indivisible.[18]

The doctrine of these cases has been summarized as follows:

> "The convenant must, however, be so expressed that it is severable without making a new contract between the parties for the sake of validating an instrument otherwise void; the test is, whether it can be stated as two or more distinct covenants.
>
> "It is not permissible to sever a proviso from the rest of the covenant when the proviso affects the meaning of the whole; and one part of a covenant may not be severed from another unless an enforceable contract remains.'[19]

But while we can find no basis upon which to divide or sever the prohibition as to other employment we are of the opinion that said covenant may be segregated from certain other clauses of the contract, e.g., the undertaking that the employee is not "to divulge any secret * * * which he may receive or obtain relating to the business," etc. As stated in one of the authorities above quoted "a trade secret needs absolute protection,"[20] and while the testimony in this case fails to show any specific secret which respondent has so obtained, still if there is none such the prohibition will not prejudice him and if, as would be only natural, some such secret has been learned complainant is entitled to its concealment.

IV.

The answer assails the validity of that clause of the contract which makes the employer "the sole judge" of whether certain specified grounds of dismissal have accrued. But in view of the conclusion which we have reached we consider it unnecessary to enter into a discussion of that question which, it was intimated in argument, is now being litigated in another forum. Anything we might say on that point, therefore, would not only be unnecessary here but might unnecessarily prejudice the rights of parties to said proceedings.

It is accordingly considered and decreed that the temporary injunction hereinbefore granted, be and the same is hereby dissolved, but that respondent be and he hereby is enjoined from divulging any secret or giving out any information which he may have obtained while in complainant's employ relating to its business or that of the International Export Company and likely in any way to affect their interests. There will be no allowance of costs to either party.

By the Court,

CHARLES S. LOBINGIER,
Judge.

17. Beetham v. Fraser, 21 T. L. R. 8 (1904.)
18. Hooper & Ashley v. Willis, 21 T. L. R. 691, affirmed 22 T. L. R. 451.
19. Halsbury's Laws of England 27, 574, 575. cf. American & Englis Encyc. of Law (2d Ed.) XXIV, 855, 856, citing numerous case English and American.
20. Matthews and Adler, Covenants in Restraint of Trade, (2d Ed. 1907) 64.

IN THE UNITED STATES COURT FOR CHINA

In re Estate of FRANK N. MEYER, Deceased:	Cause No. 660 Estate No. 250 NOTICE TO CREDITORS

Notice is hereby given to all parties interested that the undersigned has been appointed Administrator of the above named decedent's estate; that all persons having claims against the said estate are required to present the same for payment, with vouchers, to the undersigned on or before December 16, 1918, and all persons owing the said deceased are required to make payment to the undersigned.

JOHN KAVANAUGH, ADMINISTRATOR.

c/o American Consulate-General,

Shanghai, China.

June 15, 1918.

IN THE UNITED STATES COURT FOR CHINA

WILHELMINA CORREA HAWLLEY, Plaintiff. vs. EDWARD D. HAWLLEY, Defendant.	Cause No. 658 Civil No. 214 SUMMONS TO ANSWER Filed May 31, 1918. WILLIAM A. CHAPMAN Acting Clerk.

THE PRESIDENT OF THE UNITED STATES OF AMERICA to the Marshal of the United States Court for China,——

GREETING:

You are hereby commanded to serve this summons to answer and a copy of the petition in the above entitled action upon the defendant——

EDWARD D. HAWLLEY,

if found within the jurisdiction of this Court, and to notify him to be and appear before this Court on or before the twentieth day after service hereof to file his written answer hereto on oath.

(SEAL)

Witness the HONORABLE CHARLES S. LOBINGIER, Judge of the United States Court for China, at Shanghai, China, this 31st day of May, 1918.

WILLIAM A. CHAPMAN,
Acting Clerk.

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

First publication, June 8, 1918.

Principles for which America and the Allies are fighting

THE past and present are in deadly grapple, and the peoples of the world are being done to death between them. There can be no compromise; no half-way decision would be tolerable, no half-way decision is conceivable.

THESE are the ends for which the Associated Peoples of the World are fighting and which must be conceded to them before there can be peace:

FIRST, the destruction of every arbitrary power, anywhere, that can separately, secretly and of its single choice disturb the peace of the world or, if it cannot be presently destroyed, at least its reduction to virtual impotence.

SECOND, the settlement of every question, whether of territory, of sovereignty, of economic arrangement, or political relationship upon the basis of the free acceptance of that settlement by the people immediately concerned and not upon the basis of the material interest or advantage of any other nation or people which may desire a different settlement for the sake of its own exterior influence or mastery.

THIRD, the consent of all nations to be governed in their conduct towards each other by the same principles of honor and respect for the common laws of civilized society that govern the individual citizens of all modern states in their relations with one another to the end that all promises and covenants may be sacredly observed, no private plots or conspiracies hatched, no selfish injuries wrought with impunity, and mutual trust established upon the handsome foundation of mutual respect for right.

FOURTH, the establishment of an organization of peace which shall make it certain that the combined power of the Free nations will check every invasion of right and serve to make peace and justice the more secure by affording a definite tribunal of opinion to which all must submit and by which every international readjustment that cannot be amicably agreed upon by the people directly concerned shall be sanctioned.

THESE great objects can be put into a single sentence: What we seek is the reign of law based upon the consent of the governed and sustained by the organized opinion of mankind.

The principles are reproduced from President Wilson's speech delivered on July Fourth at Washington's Tomb and are reprinted from MILLARD'S REVIEW of July 13, 1918.